

Family set on paying kidnappers

The family of Mr Bernard Dunne, the kidnapped Irish businessman, remain determined to hand over the £500,000 ransom demanded despite being prevented from doing so by police action on three occasions. The search for Mr Dunne is being concentrated in a small area around Crossmaglen, Armagh, and Hackballcross in Co Louth. Page 2

Swan & Edgar to close

The Swan & Edgar department store is to close in the new year. The Department is selling the building in Piccadilly Circus because it does not think the investment needed to make the store more profitable would be worthwhile. Page 2

TUC warning to Tebbit

The TUC has given a private warning to Mr Norman Tebbit, Secretary of State for Employment, that any further union legislation will prove disruptive. Union leaders are drawing up plans to resist any fresh cuts on their powers. A campaign is being planned for when proposals for Labour law reform are revealed. Page 3

Docherty cleared of perjury

Tommy Docherty, manager of Preston North End Football Club, was cleared of perjury at the Central Criminal Court. He had denied two offences allegedly committed while giving evidence in 1978 in his libel action against Willie Morgan, a former Manchester United footballer, and Granada Television. Page 4

Nationality Bill through Lords

The British Nationality Bill completed its passage through the House of Lords, but only after bitter criticism from the Archbishop of Canterbury. In the view of leaders of all the churches, the Bill was questionable when judged by moral principles, he said. Parliamentary report, page 9

Nurses arrested in Zimbabwe

To break up demonstrations in Salisbury by striking nurses and teachers, Zimbabwean police arrested 75 people who were later released. Police were ordered to break up any future demonstrations. Page 6

Police can evict site protesters

The Court of Appeal ruled that demonstrators in Cornwall who, at the invitation of the landowner, have been keeping the Central Electricity Generating Board from surveying a site for a nuclear power station may be removed by Mr John Alderson, the chief constable. Back page

999 police car killed cyclist

A police driver answering a late night emergency call went to the wrong side of road bollards at an alleged speed of 60 mph and killed a cyclist aged 18 who was making a right turn in front of him. It was alleged at Oxford Crown Court. Page 4

Solidarity bans protest action

The leadership of the Solidarity Independent Trade Union Movement in Poland issued a directive to all branches to abstain from protest action but warned the Government against its declaration of seeking parliamentary approval to suspend the right to strike. Page 6

Leader page 13
Letters: On BL from Mr D. J. Buckle, and Mr B. Yeate-Brown; prison inspections, from Mr G. L. Thorpe, and Mr Louis Blom-Cooper, QC; disarmament, from the Rev Dr Kenneth Greet, and Mr Nicolas Walker.
Leading articles: National Freight Corporation; Iran; CEB v Alderson.
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Air Chief Marshal Sir Alec Coryton, Mr Charles Sherwin.
Features, pages 10 and 12
How Nigel Lawson stirred up energy; Henry Fairlie on the real Republicans; crisis time for Czech dissidents; The Times Profile of the Manpower Services Commission; Solidarity, Poland's male preserve.
Sri Lanka: a five-page Special Report to mark the state visit by the Queen and the Duke of Edinburgh.

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Cabinet fails to agree cuts in public spending

By Julian Haviland, Political Editor

After three hours of difficult discussion, the Cabinet failed yesterday to agree on the overall amount of cuts required in next year's planned level of public expenditure. The Treasury request for a total cut of some £5,000m, to keep spending in line with the medium-term strategy, met firm resistance from the majority of the Cabinet. Ministers said afterwards that there was little chance of more than half that total being achieved. A head count of those around the Cabinet table in Downing Street indicated that of 21 ministers present, only eight supported the Treasury, including Mrs Margaret Thatcher, the Prime Minister, and the two Treasury ministers, Sir Geoffrey Howe (Chancellor of the Exchequer) and Mr Leon Brittan (Secretary to the Treasury). Lord Hailsham, the Lord Chancellor, and Mr John Nott, Secretary of State for Defence, were absent.

At the end of the debate, the first attempt by the new Cabinet to find common ground on public expenditure levels, the Prime Minister was reported to have asked her colleagues to "go away and do the best you can". Mrs Thatcher leaves today for the North-South summit in Mexico. Meanwhile, Mr Brittan is to resume at once his task of tackling cuts by one of his colleagues who head the spending departments, in the hope of persuading them to reduce their demands. His prospects of success looked poor last night.

Collective discussion in Cabinet will be resumed a week on Thursday. The Treasury hopes that broad agreement will have been reached, for better or worse, by the third week of November. Although little information was officially available after the meeting, several accounts said that support for the Treasury came from the new members promoted to the Cabinet last month: Mr Nigel Lawson (Secretary to the Treasury), Mr Norman Tebbit (Employment), and Mr Cecil Parkinson (Chairman of the Conservative Party), as well as Sir Kenneth Robinson (Education) and Mr Joseph Mawhood (Social Services).

But a powerful speech against the Treasury case was made by Mr John Biffen, the former Chief Secretary to the Treasury and now Secretary of State for Trade. Mr Biffen was moved from the Treasury by the Prime Minister last January after he signalled his doubts about the strategy which he formerly upheld. At a meeting of the Conservative Backbench Finance Committee, he had described the M3 measure of monetary control as "a disaster".

For every supporter she has recruited, one minister said, she has lost another to the opposing camp. Back in the ring, page 2

56,000 adults lost their jobs last month

By David Blake, Economics Editor

Unemployment stayed below the politically sensitive three million mark in October because more than 50,000 school leavers found jobs.

But the figures concealed a sharp rise in the underlying rate of unemployment, with the number of adults out of work increasing by 56,200 once allowance is made for seasonal factors—the biggest jump for six months.

The total figure for people out of work in October was 2,998,644, a drop from 3,014,500 in September. The percentage unemployed stayed constant at 12.4 per cent, or about one in eight of the workforce. Seasonal factors mean that the population is likely to fall again next month, but the steady rise in the underlying figure suggests that the three million figure will be breached in December or January.

The latest figures were denounced as shameful by Mr Michael Foot in the House of Commons, who announced that the Labour Party would demand a censure debate. A group of job protesters were also ejected from the public gallery at the House.

Others to express their concern were Mr Len Murray, of the TUC, and Sir Raymond Pennock, of the CBI.

The most worrying feature for the Government is that the increase in the underlying level of unemployment seems to be picking up again after easing off in the summer.

The underlying rate of increase dropped to only 30,000 a month in July but has risen steadily since then to its present level of 56,000 a month. It is still too early to be sure that this worsening will turn into a definite trend, however. There are now slightly more vacancies on offer at employment exchanges than there were a few months ago. It seems likely that the economy's output stopped falling at some point in the summer.

Brezhnev attacks Reagan's 'madness'

By Our Foreign Staff

President Brezhnev in an interview published today, joined battle with President Reagan over the latter's claims that Moscow believed in the possibility of victory in a nuclear war.

In a scathing response to Mr Reagan's recent remarks which the American leader had used to justify Washington's accelerated nuclear arms programme, Mr Brezhnev told Pravda that it was a "dangerous madness" for anyone to count on victory in a nuclear war.

"Only he who has decided on suicide can start a nuclear war in the hope of emerging a victor from it," Mr Brezhnev said.

"No matter what might the attacker possess, no matter what method of unleashing nuclear war he chooses, he will not attain his aims. Retribution will ensue inevitably."

In his comments, published in today's issue of the official Soviet newspaper, Mr Brezhnev did not make any direct reference to the latest controversy over President Reagan's recent remarks about the United States possibly surviving unscathed from a nuclear exchange in Europe.

Mr Brezhnev, who was answering questions put to him by a correspondent of Pravda, said that the efforts of the Soviet leadership were directed at preventing nuclear war altogether—eliminating the very danger of its outbreak.

"Why was the United States not supporting the proposal made by the Soviet Union at the current session of the United Nations General Assembly to forego any first nuclear strike?"

Yesterday at the Nato Defence Ministers' meeting at Genoa, British and American officials included Mr Caspar Weinberger, the United States Defence Secretary, were at pains to dismiss any suggestion that the impromptu answer on the nuclear issue by President Reagan last week could become a divisive issue in the alliance.

The controversy largely surrounded one sentence in which he said: "I could see where you could have the exchange of tactical (nuclear) weapons against troops in the field without it bringing either one of the major powers to the brink of nuclear war."

BL, the state-owned motor group, faces what one union leader described yesterday as the country's most disastrous industrial dispute since the war, will fall in agreement to begin to formulate contingency plans next week for the liquidation of the company.

Union officials are due to meet management negotiators tomorrow but, on the issue of pay, will be confronted with a Government-backed BL determination not to improve on its 3.3 per cent pay offer to car workers.

If no compromise is agreed within the next few days, the BL bosses said, they would have to consider a strike by BL workers—30,000 workers—will be ordered to abandon its 1980 contingency plan.

Mr Roy Horrocks, chairman of BL, said yesterday that Mr Patrick Jenkin, Secretary of State for Industry, understood the Government's position and that the Government's board was the ideal time to take stock of what was happening.

Mr Horrocks said that while the labour force had been reduced by 40 per cent, productivity had increased by 30 per cent. "We have gone from a situation where one man was producing seven cars a year to one where production is 24 cars a man per year."

Leiyand union negotiators are to report formally on the outcome of Friday's mass meetings to the 200 senior stewards at Canley and then to meet management to discuss the separate and unresolved issue of the working week.

Mr Horrocks said that BL had no plans at present for liquidation nor were there plans for a ballot of the workforce.

The BL Cars chairman was speaking at the press preview of Motorfair, the first motor show to be held in London for four years, at which one of the stars is the Triumph Acclaim, BL's new saloon car, which is being built at Cowley in collaboration with Honda of Japan.

After only two weeks on sale, the Acclaim is selling 3.5 per cent of the home car market and 2,000 have been sold to fleet buyers.

Mr Horrocks said he did not regret the letter sent to workers before the strike vote which attempted to point out that job prospects at the Longbridge and Cowley factories were as good as those for anyone in the country.



Workers at National Carriers' depot near Paddington station, London, yesterday. Soon they may be part-owners of the business (Photograph by Brian Harris).

We just can't lose, the freight workers say

By a Staff Reporter

The idea of the workers owning their own business, proposed for the state-owned National Freight Corporation, got a thumbs down from a senior official of Britain's biggest union yesterday. "It's a terrible idea, a con," Mr Alex Kitson, deputy general secretary of the Transport and General Workers' Union, said.

But drivers, warehousemen, and clerks of the corporation, interviewed in London yesterday were full of enthusiasm. "I don't think we can lose," said Miss Margaret Hansford, aged 57, a clerical officer who intends to take advantage of

the banking consortium's £2m fund to enable staff to borrow up to £200 interest-free for a year to buy shares. And the National Union of Railwaysmen, disaffected from the TGWU, "We welcome this initiative. We are opposed to privatization, but this is preferable in that the staff retain an interest."

The sale by the Government, at a knockdown price of £53.5m, is dependent on the 25,000 staff's finding at least £2m out of their own pockets by the new year.

At least three fifths of the staff are expected to take up shares in the company. It is a

varied enterprise owning 15,000 lorries, which makes it Britain's biggest road transport fleet. It moves fish from port to port, dinner tables, house furniture, timber, and parcels. It removes waste, warehouses almost anything, and runs a travel agency business.

It is much decentralised with 500 to 600 depots, each with its own profit and loss account, already a keen sense of business among the staff.

Mr Ron Peterson, aged 61, a driver, said: "We haven't a problem here with strikes and trouble between management and employees, but people should work together even

better. I think that we are on a winner."

Mr Michael McSweeney, aged 29, a warehouseman, said frankly: "The least successful elements should fall by the wayside. It sounds brutal, but it should make it easier to prune and cut back. It offers pride in participation. It gives people a say in the firm they work for and that should make it more successful."

Mr Peter Thompson, aged 53, the corporation's chief executive, who is the architect of the sale and is putting in £40,000 himself, does not predict an overnight revolution. Continued on back page, col 6

BL to stand firm in face of strike call

By Edward Townsend and David Macintyre

BL, the state-owned motor group, faces what one union leader described yesterday as the country's most disastrous industrial dispute since the war, will fall in agreement to begin to formulate contingency plans next week for the liquidation of the company.

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Big book on India wins Booker again

By Philip Howard, Literary Editor

Salman Rushdie, a young Indian who lives in London, was awarded the Booker Prize last night for his novel, *The Satyricon*, published by Jonathan Cape.

His victory confirms the literary folklore that the favourite in the betting usually wins Britain's most valuable prize for fiction; and that the Judges tend to look favourably on big books about India. It is a trivial way to look at good books.

The children in the title of the winning novel are the young and the old in the story to have been born in the mid-nineteenth century of India's independence. The children born in that magic hour are said in the novel to be endowed with an extraordinary talent; and the prize and curse of being their masters and victims of their times. The hero and narrator of the book finds himself



Salman Rushdie: £10,000 prize for "magic hour".

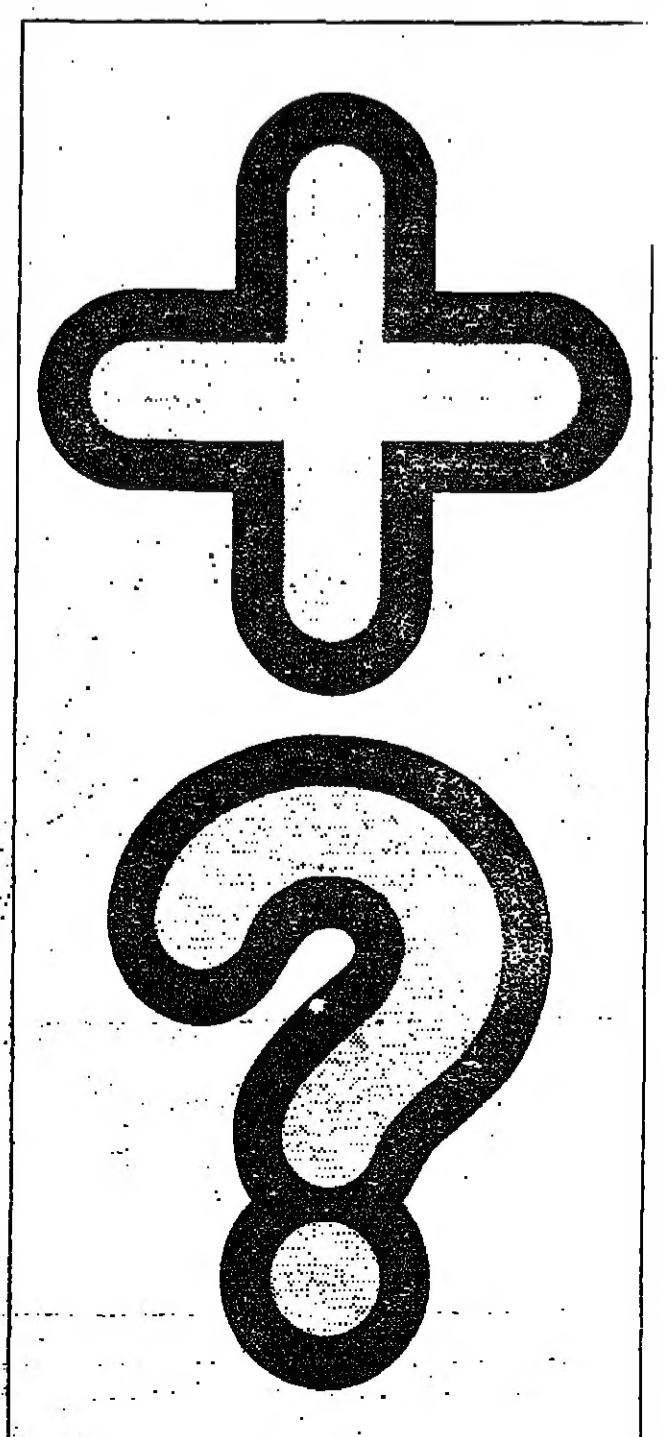
mysteriously coincided to his story by the coincidence of his birth. Behind the magic and the superstition there is a colourful old-fashioned family historical saga, into which real characters

like Nehru and Shaikh Mujib are made guest appearances.

Salman Rushdie was born in Bombay in June, 1947. He is the author of one previous novel, *Grimus*. His publishers had three books in the short list of seven for the prize, worth £10,000.

Professor Malcolm Bradbury, the chairman of the judges announced the award at a time to suit television schedules, but calculated to cause the maximum inconvenience to the daily press. Distinguished literary editors, who had not broken into more than a shuffle for years, had to scramble for the single telephone in Stationers' Hall, City.

Presenting the cheque, and a leather-bound copy of his work to Salman Rushdie, Professor Bradbury described his book as "a brilliant experimental novel, but also a very funny book."



Unions will fight new curbs, TUC tells Tebbit

By Paul Roodledge, Labour Editor

Mr Norman Tebbit, the new Secretary of State for Employment, has been privately warned by the TUC that any further legislation on the trade unions will prove disruptive, and union leaders are already drawing up plans to resist any fresh curbs on their powers.

A confidential policy paper prepared for a meeting today of the TUC Employment Policy and Organisation Committee gives details of a warning letter to the minister from Mr Len Murray, TUC general secretary, and sketches out a big new campaign against labour law reform.

In his letter to Mr Tebbit, Mr Murray catalogues the "wide range of serious and damaging consequences for British industry and industrial relations that restrictive legislation of the type the Government is currently contemplating would entail."

He asks Mr Tebbit to give serious attention to the views of the TUC.

Mr Murray adds: "To proceed with any such legislation would prove disruptive, and I strongly urge instead that you devote your full attention to tackling the problem that should be your department's—and the Government's—top priority, namely the devastating

Independent assessor on police is agreed

From John Chartres, Manchester

The experimental appointment of a civilian community officer to handle complainants made against the police was agreed in principle by the policy committee of Greater Manchester County Council yesterday when it accepted the report of the independent tribunal into last July's Moss Side riots.

The committee's decision will go before the full council later this month, but detailed action on the report's recommendations will have to await a meeting of the police committee next month, and possible publication of the Scarman report on the summer disorders.

The Council's Brian Telford, the Conservative leader, said the report contained too many criticisms of the police and not enough criticism of those who had allowed the current social conditions and high unemployment to arise in the Moss Side area.

An inquiry was ordered last night into allegations of police harassment during the Toxteth riots (the Press Association reports). Heavy-handed policing and discrimination against black youths are among the claims that will be investigated by the Merseyside Police Committee. Yesterday the committee considered an interim report on the rioting produced by 18 county councillors who interviewed community groups in the area.

The councillors were told of alleged discrimination and racist abuse against young blacks. The police complaints procedure was described as a "farce" and many people were said to fear reprisals.

Mr Peter Wright, the deputy chief constable, is to investigate claims that people who complained were arrested "on the flimsiest of evidence."

A solicitor made an official complaint to the police at Toxteth yesterday, claiming "viral evidence had been 'copied' from the sister of a man injured in the riots (our Liverpool Correspondent writes)."

Mr Robert Broudie, a solicitor for Mr Ken Anderson, who is claiming compensation, said Nurse Pearl Merton was deceived into handing over clothes worn by her brother.

A police officer who was hit by a CS gas canister.

Simon Alexander Lee, aged 18, a chemistry student who distributed leaflets headed "Burn Babylon, Burn" three days after the riots in Toxteth, was jailed for three years by Nottingham Crown Court yesterday. (Our Nottingham Correspondent writes).

Miss Jean West, a nurse of Goldthorpe Lane, Brimston, was cleared yesterday by Lambeth magistrates of throwing bricks at police during the rioting in April (the Press Association reports).

A student accused of assaulting police officers during a street rampage, after a fair in Finsbury Park, north London on April, changed his plea on one charge yesterday. Ojane Ocasanya, of Highbury, London, admitted assaulting Sergeant David Rowe with intent to avoid lawful arrest.

A Southwark Crown Court he still denies further charges of causing grievous bodily harm to Police Commander James Dickinson with intent, causing bodily harm to Commander Dickinson, and causing actual bodily harm to Chief Supt Patrick Carson, and the hearing continues today.

Statistics: Crime

Youth at top in record total of offences

By Stewart Tindler, Crime Reporter

The number of offenders convicted or cautioned for serious offences last year in England and Wales reached a record of 556,000, the Home Office said yesterday. The 1979 figure was 509,000.

People found guilty or cautioned for both serious (indictable) offences and summary offences totalled 1,050,000, compared with 995,000 in 1979.

For serious offences, male juveniles aged 14 to 17 received the highest number of convictions per head of population. The next age and sex group was males aged 17 to 21.

Overall, offenders aged under 21 years accounted for 53 per cent of all convictions for serious offences and predominated in robbery, burglary, and criminal damage.

Figures for serious offences recorded by the police, published last March, showed a 1980 total of 2.2 million in England and Wales. The statistics issued yesterday show that 80 per cent were for theft and handling stolen goods. Fifty-six per cent of convictions were for the same offences.

Statistics: Education

10,000 teaching jobs lost

The number of teachers in England and Wales was reduced by 10,028 last year, according to figures released yesterday by the Department of Education and Science.

State nursery, primary and secondary schools lost 9,343 teachers in 1980, while in England over the two-year period since 1979, when numbers peaked, there has been a total drop of 1,600, mainly in primary schools.

The figures mainly reflect the falling numbers of pupils, but according to the department, the teaching force in January, 1981, was still nearly 5,000 more than had been allowed for in public expenditure plans. The figures also show a very slight worsening of the pupil-teacher ratio in state schools.

The total teaching force in England and Wales in January, 1981, was 565,258 compared to 575,286 in the previous year.

The number of nursery, primary and secondary school teachers fell to 446,765, while the remainder, 118,493, made up mainly of 73,359 college lecturers and 18,799 teachers in special schools, fell by 685.



Legacy of a recluse nation

A spectacular Sumo wrestling hold captured in eighteenth century ivory is one of a unique collection of Japanese art works which goes on show at the Royal Academy, Piccadilly, on Saturday.

The Great Japan exhibition, which is expected to attract record crowds, brings together for the first time more than 400 works of the Edo period of 1600 to 1868, when Japan virtually shut herself

off from the outside world. The exhibits, including embroidered kimonos, silk prints, armour and ceramics, are housed in specially-built glass cases.

Many are so delicate that they can go on show for only 50 days at a time and will be changed for other exhibits half way through the exhibition. The exhibition runs until February 21. (Photograph by Brian Harris).

Junior article referred to Attorney General

An article by Sir John Junior, editor of the *Sunday Express*, was referred yesterday to the Attorney General after being severely criticised by the judge in the Down's syndrome baby murder trial.

The move came after a complaint on Monday by Mr George Carman, QC, defending Dr Leonard Arthur, aged 65, a consultant paediatrician. Dr Arthur, of Church Broughton, Derbyshire, has pleaded not guilty to the murder last July of John Pearson, aged three days, at Derby City Hospital.

Mr Andrew Collins, representing Sir Michael Havers QC, the Attorney General, and Mr Geoffrey Shaw, for Express Newspapers, attended Leicester Crown Court yesterday. After the legal discussions, Mr Justice Farquharson told the jury that last week counsel for Dr Arthur had drawn his attention to an article in a national newspaper.

Mr Justice Farquharson said he had decided to remit that matter to the Attorney General.

He said this, although he had said no other such article should be published during the trial, the *Sunday Express* had published an article dealing speci-

The judge said he was initially tempted to proceed in a summary fashion against the owners of the *Sunday Express*, but that he had been pressed by Mr Collins not to do so. Despite his reservations, he would therefore remit the matter to the Attorney General.

Nevertheless, if another similar article was published he would act on the spot against the writer and the directors of the publishing company.

Mr Douglas Draycott, QC, who is leading for the Crown, has alleged that John Pearson was given the drug DF113 which suppressed his appetite and impaired his breathing. Counsel said that course of treatment was designed to cause the death of the baby after he had been rejected by his parents.

Patrick Towland, a consultant biochemist, said he had seen a report of an analysis of the baby's blood.

The blood level of dihydrocodeine amounted to 7.4 micrograms a millilitre. A report on the liver showed 4.3 micrograms a gram.

The hearing continues today, finally with, and identifying, the case.

BROADMOOR GETS A NEW CHIEF

By Lucy Hodges

Dr Edgar Udwin has been named as the new medical Superintendent for Broadmoor top security hospital.

Dr Udwin, who will hold the post for 18 months until he retires at 65, is an unexpected choice, partly because of his age.

He has aroused controversy on the past over his decisions to recommend the release of six patients who later committed serious crimes.

The most notorious was Graham Young, who was poisoning people again within four months of his release in 1971. He was then jailed for life for murdering two men and attempting to poison others.

Dr Udwin, who has been a consultant at Broadmoor since 1962,

POET JOINS MUSEUM PROTEST

By Our Planning Reporter

Mr Norman St John-Stevens, MP, the Duke of Norfolk, Lord Weidenfeld and Sir John Beresford are among the signatories to a new letter protesting at the proposed demolition and rebuilding of part of the Natural History Museum.

The letter, sent yesterday to the museum's trustees, calls for the abandonment of "this controversial and destructive policy on the grounds of economy, discrimination and good sense".

Approval for the rebuilding was granted by Mr Michael Heseltine, Secretary of State for the Environment, after a public inquiry in 1979.

The letter to the trustees points out that opposition to the rebuilding has been expressed by conservationists, architects, scientists and historians.

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National Savings

Tommy Docherty cleared of libel case perjury

Tommy Docherty, the football manager, was cleared of two perjury charges at the Central Criminal Court yesterday.

Mr Docherty, aged 53, had denied lying while giving evidence in his libel action against Willie Morgan, the former Manchester United footballer, and Granada Television at the High Court in 1978.

Docherty was alleged to have falsely sworn on oath in those proceedings that when he spoke to Denis Law, the former Manchester United player, about a free transfer, Law did not seem "too disturbed or surprised."

He was also said to have falsely sworn on oath that he did not know, until Manchester United were sued, of a term in an agreement for the transfer of Ted MacDougall the striker which required United to pay Bournemouth and Boscombe a further £25,000 when MacDougall had scored 20 goals.

Mr Paul Purser, for the prosecution, said Mr Docherty had told deliberate lies to give the High Court proceedings a tone which was not justified.

Mr Docherty, who is now manager of Preston North End, had told the jury from the witness box that he was bullied and intimidated by counsel at the High Court.

The jury took just under two hours to clear him after being discharged by Judge Charles Lawson, he left the court with his friend Mrs Mary Brown.

Mr Docherty refused to answer questions from reporters.

Mr Docherty abandoned the libel case after admitting during cross-examination that he had told "a pack of lies."

He claimed he was bullied into saying things which were

incorrect, but maintains that Law did not seem surprised when told of the free transfer and merely shrugged his shoulders.

Summarizing the evidence, Judge Lawson said Mr Docherty was a man of good character and a Manchester MP had spoken highly of him during the case.

The judge agreed with Mr Richard Du Cann, QC, for the defence, that the witness box could be the loneliest place in the world.

Baristers were sometimes fierce, but they were bound by their duty to their clients. Sometimes their instructions were bad and they acted in error, the judge said.

He told the jury it might conclude that some matters put to Mr Docherty in the High Court during cross-examination by Mr John Wilmer, QC, were not entirely based on fact.

"There were undoubtedly mistakes and matters which ought not perhaps to have been put in that form," he said.

The jury would bear in mind that a man giving evidence years after the event was entitled to have vagaries of recollection.

They would also ask themselves whether a witness could be so terrified that he answered questions without really knowing what he was saying, as Mr Docherty said he had done, on the basis that he only wanted to give an answer and get out of the witness box.

The judge said Law was a footballer of great distinction: "The king of Manchester."

He said: "He is a man who even those who have not followed football know about and a man who was undoubtedly highly regarded both in the football world and outside it."

Triumph and torment of a determined wanderer

By Nicholas Harting

Tommy Docherty, one of football's more gregarious characters, has never settled down for very long in one place as a manager, although most of his playing career was spent with two clubs, Preston North End, his present employers, and Arsenal.

Not surprisingly for someone whose favourite saying is: "I've had more clubs than Jack Nicklaus", Docherty has certainly been able to improve his geographical knowledge.

His managerial career began when he was promoted from coach in January 1962 and since then he has been to Rotherham, Queen's Park Rangers (three times), Aston Villa, Oporto in Portugal, Hull City, Manchester United, Derby County and Sydney Olympic before Preston brought him back from Australia.

In his time a tenacious wing half who served Scotland 25 times, he has attempted to instil into those who play for him the same qualities that made him a successful player.

Most of his clubs have put

their emphasis on determined, attacking play, but some have lacked the skill to succeed.

As a manager, Docherty, has courted controversy from the time he sacked four Chelsea players off to London for Lancashire for breaking curfew a few hours before a vital game in Burnley.

Docherty has experienced both the depression and euphoria of football.

Chelsea, Rotherham, Manchester United and Queen's Park Rangers were all relegated under him, but it was shortly after his greatest triumph, United's FA Cup win in 1977, that Docherty must have sampled the widest range of emotions.

It was then that his affair with the wife of the club's physiotherapist was revealed. United, having been led out of the doldrums, dismissed the man responsible for the club's success.

Today Docherty, who could never resist a challenge, is back where it all began for him: trying to revive a club which has seen better times.



£120m kiss of life for station

Before and after: The former Manchester Central Station as it looks now (left), and an artist's impression of how it will look after redevelopment under a £120m scheme announced yesterday.

The impressive station, which was closed in 1963, is sadly decayed and has been seen as a symbol of urban decline and indecision (John Young writes).

The 26-acre site in the heart of the city was acquired three

years ago by Greater Manchester Council after the failure of various speculative schemes to attract support.

The report outlining the latest scheme for an exhibition centre, concert hall and indoor arena was prepared by a joint study group of the council and Commercial Union Properties.

In accepting the report yesterday for submission to Mr Michael Heseltine, Secretary of State for the Environment, for council's policy committee said

it hoped it would be seen as a successful example of cooperation between the public and private sectors.

The report, however, emphasises that an initial injection of public funds should act as a catalyst, so that the bulk of the money should come from the private sector.

It expects the scheme, which should take between 10 and 15 years, to provide several hundred new jobs.

The first stage will entail

conversion of the train hall into an exhibition centre and indoor arena with 10,000 square metres of floor space.

The second phase will be the conversion of the Great Northern warehouse into a 300-bed-room hotel, which should require little or no public money.

Later phases include new sports and recreational facilities and refurbishment of the Free Trade Hall as a concert venue and conference centre.

Police driver accused after 999 call death

From Arthur Canna, Oxford

A police driver responding to an emergency call drove on the wrong side of the road at an estimated 60 mph and hit and killed a student cyclist, who was turning right in front of him, Oxford Crown Court was told yesterday.

Mr Richard Wakerley, for the prosecution, said: "This was a tragedy in the sense that a young life was lost; equally one may be sympathetic to a police officer acting in the course of his duty. But a motor vehicle is a lethal machine and the safety of other road users cannot be disregarded."

Constable John Henry Wood, aged 26, of the Thames Valley force, who lives at Banbury Road, Oxford, denied causing the death of Mr Gregory Russell Leslie Dixon, on February 3 by driving a vehicle recklessly on Woodstock Road, Oxford.

Mr Wakerley said: PC Wood was the driver of a marked Transit van in Carfax, in the city centre. Shortly before 11 pm he received a message to go to a disturbance at the Ford estate, on the city's northern outskirts.

In Woodstock Road he drove thoroughly recklessly at a very high speed on the wrong side of the road. At the junction with Bevington Road he collided with Mr Dixon.

Travelling in a car behind Mr Dixon were Mr and Mrs Adrian Avery, who saw him make a right-hand turn signal and start to move to the crown of the road.

Mr Avery to follow him through the junction on the near side of the bollards the accused overtook on the wrong side of the bollards. Mr

Dixon was making his turn and as he was broadside on the outside of the road the van collided with him.

The van then hit a lamp standard, slewed around and hit a wall. Mr Wakerley said the van's speed was at least 60 mph.

In a statement made some days after the accident PC Wood said his headlights were on and the blue lamp flashing. Two sets of traffic lights in the city centre were on red and he sounded his horn several times and drove across with caution. In Woodstock Road he considered his speed was 45 to 50 mph. As he came up behind Mr Avery's vehicle he switched on his full beam to warn of his approach.

After overtaking he remained in the centre of the road so that he could see further up the road. There was no traffic coming towards him and none in front.

"As I was about to move to the nearside to pass the bollards I suddenly saw a cyclist on the nearside but not close to the kerb. In view of my speed and the width of the road I decided to pass the bollards on the offside where I knew the road was clear and wide."

The cyclist suddenly turned right. PC Wood said he swerved to the right but had no time to brake.

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The leech in peril of extinction

By Pearce Wright, Science Editor

The blood-sucking medicinal leech has been declared an endangered species that ought to be protected. It is one of 40 creatures which will be listed in the first issue of a Red Data Book covering invertebrates under threat of extinction.

Among others in danger are the largest butterfly in the world, Queen Alexandra's bird wing, which has a wing span of up to a foot, and the giant clam.

In view of the leech's precarious state, some leading zoologists are proposing that a breeding colony should be established in Britain for *Hirudo medicinalis*, which is of value in medical research.

The details of the first endangered list of animals such as butterflies, starfishes, sponges, corals, worms, jellyfish, snails and flies has been compiled by the Species Conservation Monitoring Unit at Cambridge, for the International Union for the Conservation of Nature and Natural Resources.

Miss Susan Wells, one of the unit's research team, said yesterday that the book should be published about the end of the year. It will form a new volume in the series.

The proposal for establishing a breeding colony is explained by Dr Roy Sawyer, a research zoologist working in Wales, in the current issue of *Organisms*, the journal of the Fauna and Flora Preservation Society. The medicinal leech first became endangered in the nineteenth century. When it was used for blood letting and taken by the millions each year, the best records appear to have been kept in France, showing that at the peak more than 50 million a year were used.

The creature never recovered from that era. But the remaining numbers have been subsequently reduced by changes in farming practices and land use. Another new threat to the leech is its value as a producer of hirudin, a potent anticoagulant and a vital agent in research into blood clotting.

The amount of biochemical in each leech is tiny, and thousands are needed to obtain the quantities necessary for experimental work.

Lower fares a bigger draw than expected

By Michael Bailey, Transport Correspondent

London's experiment in lowering public transport fares seems to be paying off so far, at least in terms of passengers carried. Early estimates suggest that in the first fortnight passenger traffic is up by 3 to 4 per cent instead of the 2 per cent forecast. Before the cuts were announced a 7 per cent fall in traffic was predicted.

These figures are based on rough counts of ticket sales on buses and tubes and do not take account of season-ticket travel, nor of newspaper sales of the new bus passes. London Transport emphasises that a clear picture will not emerge until November, when the scheme has been running for a full month and more

returns are in for pass and season-ticket sales.

Meanwhile, a spokesman said yesterday, "at least it is not a disaster" in a decision by the Labour-controlled Greater London Council to transfer £250m in transport costs to the rates; fares were cut by an average of 25 per cent at the beginning of October, and new flat fare zones were introduced.

Before that, traffic on London's buses and tubes was expected to fall by about 7 per cent by the year's end, continuing the downward spiral of recent years.

As a result of the fare cut, traffic was expected instead to rise by about 2 per cent.

Ratepayers to sue council over supplementary rise

Ratepayers are taking West Midlands County Council to court to challenge its 14p in the pound supplementary rate demand.

Solicitors acting for the West Midlands Ratepayers' Federation have served notice on Walsall Borough Council, under Section 7 of the 1967 General Rate Act.

They argue that the recently introduced 25 per cent increase in the county's bus fares is beyond the county council's powers, and that consequently Walsall is not entitled to increase rates to cover the scheme.

A similar case, is being made against a scheme to

provide free travel for the unemployed, described by the federation yesterday as an outrageous waste of public money.

Local councils should no longer be responsible for paying the salaries of teachers, police officers and firemen, Mr John Heddles MP, the Conservative Party's expert, told the annual conference of the Rating and Valuation Association in Torquay yesterday.

He said that once those salaries were paid by the government, it could cut its contribution rate support to other councils and simplify the system of local finance.

The booklet represents the first comprehensive synthesis of government policy and practice on quangos (quasi-autonomous non-governmental organisations) since a Treasury document published 13 years ago.

It reflects the Government's well-publicised determination to cut non-essential bodies and follows on from the report by Sir Leo Pliatky last year, which recommended a pruning of existing quangos and a more critical scrutiny.

Presentation was announced by Mr Barney Hayhoe, Minister of State at the Civil Service Department, in a parliamentary reply to Mr Philip Holland, Conservative MP for Carlton and a noted campaigner against quangos. Mr Holland recently criticised the Government for not moving fast enough in its quango cut but Mr Hayhoe said yesterday: "We will be going further. This document will help us go further."

According to the Civil Service Department, decisions to abolish 440 out of about 2,000 non-departmental bodies have been announced since 1978 and 31 new bodies set up. Mr Hayhoe said new guidance emphasized accountability, value for money, cost-effectiveness of public funds and very stringent criteria for establishing new bodies.

He added: "We are making sure that bodies do not get left running on when their useful lifetime has gone. We want to cut out the dead wood in the existing systems and line up any other bodies that are dead wood continually appears."

Non-Departmental Public Bodies: A Guide for Departments (Civil Service Department, HMSO, £3.90).

A baby boy for Esther Rantzen

Miss Esther Rantzen, star of the BBC television programme *That's Life*, who gave birth to a boy at St Mary's Hospital, Paddington, west London, yesterday. Mr Desmond Wilcott, her husband, who is former head of BBC television's general features department, said his wife and the baby were very well. The boy is the couple's third child.

ORDER SOUGHT IN MURDER CASE

Defence lawyers are to consider applying to the high court tomorrow for an order that Croydon magistrates continue to hear the committal of 15 black youths charged in connexion with the death of Terence May, aged 19, in June.

Last week, Croydon Magistrates adjourned the case because of the time it was taking. Seven of the youths face charges of murder and all face charges of riot and affray. The Director of Public Prosecutions is considering applying to a judge to commit the case for trial.

PIPES STOLEN

Police are hunting thieves who stole almost 200 pipes from the organ in the twelfth-century church at Little Barford, Bedfordshire.

Race issues distorted in press, says commission

By Lucy Hodges

Journalists should be trained in race relations and editors should actively recruit black reporters to help to correct the distorted picture of race issues the Commission for Racial Equality says in a report published yesterday.

Black people are reported in a negative light and are seen to be a problem, according to the survey of seven national daily and two provincial papers carried out between 1976-78. The research, undertaken by Mr Barry Troyna of the Centre for Mass Communication Research at the University of Leicester, accuses the press of concentrating on the National Front, white hostility and crime to the exclusion of racial issues in education, employment and health.

It found that *The Times* gave most coverage to race issues (two items per copy) and that all newspapers put more attention to the National Front than any other issue. The NF accounted for 14.7 per cent of all the copy on race.

The report says that the provincial and popular press gave more prominence to human interest or normal stories.

A total of 650 newspaper and 824 stories were analysed for the research. In 1976 the headlines were dominated by the influx of Asians from Malawi including the accommodation of two of these homeless families in a four-star hotel, and the action taken by young Asians in Southall in response to a murder. In 1977 race relations news concentrated on the anti-NF demonstrations in Lewisham and Ladywood and the racial assault on young Bengalis in Southall and Brick Lane. The following year immigration was a dominant theme.

The report says that there is a close relationship between the attitudes adopted by the public to issues and the way they have been presented to the media.

Public Awareness and the Media: A Study of Reporting on Race, by Barry Troyna (52, from the Centre for Mass Communication Research, 10-12 Allington Street, London, SW1 5ED).

NUJ REDUCES FINES

Fines imposed on three members of the National Union of Journalists, Mr Christopher Goodall, Miss Julie Islerwood and Mrs Caroline Hollands, have been reduced by the union's appeals tribunal from £750 to £250. The union has suspended Mr Goodall for 12 months, and the other two for nine months.

The penalties against the three *Islington Gazette* employees result from breaches of union discipline during the 10-month dispute over the closure of the *Camden Journal*.

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Bulgaria backs Greek plan for atom free zone

From Mario Modiano, Athens, Oct 20

Bulgaria reacted positively today to a proposal for the creation of a nuclear-free zone in the Balkans, put forward by Mr. Andreas Papandreu, the Greek Socialist leader, who takes over as Prime Minister tomorrow.

President Todor Zhivkov, speaking during celebrations to mark the 1,300th anniversary of the founding of the Bulgarian state, offered to host a Balkan summit in Sofia next year to discuss the establishment of a zone free of nuclear weapons in this area.

Although the proposal is not new, Mr. Papandreu announced during his recent electoral campaign that, if elected, he would ask for the immediate removal of all nuclear warheads stored in Greece.

He had told journalists that there were only tactical nuclear arms in Greece, but this would be a symbolic action. "It will be a challenge to our Balkan friends: to do the same," he said. "It would be a tremendous success for Greece. It would take six months, we can set up a nuclear-free zone in the Balkans."

After his spectacular election success, Mr. Papandreu reiterated in a television interview his intention to have removed all nuclear warheads stockpiled in Greece, although he would not press for the immediate closure of the American bases in the country.

President Zhivkov's offer is significant because Bulgaria is the only communist country in

the Balkans that may have stored Soviet nuclear weapons. The idea of a nuclear-free zone had evoked much scepticism in Greece in the past considering that the Balkans would still lie within the range of the Soviet Union's nuclear arsenal.

Decisions on this and other crucial issues for Greece will be taken as soon as Mr. Papandreu forms his new Government, which is to be sworn in tomorrow.

The Socialist leader submitted the list to President Karamanlis, who gave him the mandate to form a new Government, after the victory of his Panhellenic Socialist Movement (Pasek).

Earlier Mr. George Fallis, the outgoing Prime Minister, called on the Socialist to hand in his Government's resignation.

Mr. Papandreu's list of ministers was not disclosed, but in view of his big majority in the election, he was not expected to bring in any Communist, in the fashion of the French Socialists.

The first reaction to the election results from what both Pasok and the Communists call the "economic oligarchy" came today when the Association of Greek Industries asked the Government to define the boundaries of the proposed extension of the public sector, of state interventionism and proposed entrepreneurial experiments.

The first woman heart swop patient dies

Cape Town, Oct 20—The first woman in the world to receive a transplanted heart collapsed and died in Cape Town yesterday. Mrs Dorothy Fischer, aged 50, received the heart in April, 1979.

The operation, the fifth of its kind in South Africa, was carried out in Cape Town's Grote Schuur Hospital by Dr. Christian Barnard, the heart transplant pioneer. The cause of her death was not immediately announced.

Apartheid issue: Mrs Fischer was a remarkable patient for a number of reasons (Pearce Wright writes). She was the first Coloured person in South Africa to receive a new heart from Dr. Barnard. Although the heart of a non-white person was used, thus fitting the apartheid model even in this sphere of life, there was considerable controversy about the procedure at the time.

Mrs Fischer was also one of the earlier transplant recipients. Dr. Barnard made the first operation in December, 1967, and began the transplant vogue. Within a year 64 surgical teams in 22 countries carried out 100 transplants. However, the majority of the patients died within a few months at most.

With hindsight, heart surgeons have a clearer idea of how to select suitable individuals for transplant from their patients and how to monitor the post-operative conditions for early tell-tale signs of trouble.



The scene in Hovenierstraat, Antwerp, after yesterday's car-bomb explosion.

Bomb blasts synagogue in Antwerp

From Ian Murray, Brussels, Oct 20

Two people died and about a hundred others were injured, some critically, when a huge car-bomb exploded outside a synagogue in the diamond-trading quarter of Antwerp at rush hour this morning.

Police described the outrage as "racist". Had the bomb exploded only 25 minutes later, the synagogue would have been packed with Jews attending the service for the Sukkot, the last day of the Jewish festive season.

The explosives, packed into a light-coloured delivery van,

were so powerful that the vehicle was flung into the air as high as the third floor of the adjacent building. Shopfronts and windows over a wide area were smashed and even the main Antwerp railway station, a couple of hundred yards away, was damaged.

In July of last year a 15-year-old boy was killed and seven other children were injured when a grenade was flung into a group of Jewish schoolchildren boarding a bus in Antwerp. Two Palestinians were arrested for that attack

so on this occasion the Israeli Embassy in Belgium issued a statement condemning the "blind Palestinian terrorists who strike at Jews wherever they are".

The Palestine Liberation Organization office in Brussels, however, was quick to issue a statement condemning the attack and denying any responsibility in what had happened.

Of the 10,000 or so who work in the diamond trade in Antwerp about 70 per cent are Jewish.

Socialist congress boycott

Spanish party divided within sight of power

From Harry Debelius, Madrid, Oct 20

There will be much harmony when the comrades gather to sing the "Internationale" at the twenty-ninth congress of the Spanish Socialist Workers' Party, beginning here tomorrow, but only because those who might strike a sour note have decided not to let their voices be heard.

With the prospects of the Socialists being voted into office looking better than ever, the party, headed by Señor Felipe Gonzalez, has failed to resolve the internal dispute between its left wing, made up mostly of old members and theoretical purists, and its leadership, which has softened the Marxist message to build up a membership big enough to win an election.

Referring to the twenty-eighth congress as "an extraordinarily traumatic experience in the life of the party", Señor Gonzalez said that the decision of the Left Socialist group to boycott this year's gathering was "regrettable, more in view of the quality of its members than their numerical strength".

The party, which got 30 per cent of the vote in the last national elections, now stood a good chance of winning a working majority, "but it all depends on how plumply the right behaves". He ruled out the possibility of taking part in a popular front. Such a solution was impossible in Spain today.

At the same time there is not likely to be any public row such as

there was at the previous congress, when Señor Gonzalez resigned as secretary-general. He left the party without a leader until the delegates reassembled a few months later to re-elect him, with the party rebels reduced to a silent and somewhat humbled minority.

The hard-core of the left will not be present this time. Those most identified with such positions have all announced that they will not attend the congress.

Under the theme "Roots for Democracy" 799 delegates will consider during the four-day congress a series of propositions designed to reinforce the democratic system.

□ Polling took place today for Galicia's first regional parliament, and in the south Andalusians were taking part in a referendum on a home-rule statute.

By the evening, according to unofficial estimates, 28 per cent of the Galician voters had cast their ballots.

The 71-member parliament in Galicia is expected to be dominated by three Madrid-based parties, the Centre Democratic Union, the Spanish Socialist Workers' Party, and the Popular Alliance.

In Andalusia, there were few crowded polling places. By mid-afternoon, according to government offices of the region, voter response ranged from 17 per cent in Almeria to 33 per cent in Cordoba.

French approve law to nationalize banks

From Jonathan Fenby, Paris, Oct 20

The French National Assembly has approved legislation to nationalize most of the country's private banks in the latest stage of a marathon debate on the extension of state ownership.

Socialist and Communist deputies broke into applause last night as the main article of the Nationalization Bill dealing with it was adopted by 333 votes to 153.

The measure, affecting 36 private banks, is still dependent on the Nationalization Bill as a whole being passed, but there is no doubt about this in view of the left-wing majority in the Assembly.

The private banks represent only about a quarter of the French banking sector since the big institutions were nationalized by General de Gaulle's Government in 1946, but they hold a sinister place in Socialist and Communist political mythology, dating back to the undermining of pre-war left-wing governments by "the wall of money".

Apart from being an article

of faith, nationalization of all but the smallest banks is seen by President Mitterrand's administration as an integral part of its programme to boost the French economy. Under state control, so the reasoning goes, the banking system will act more forcefully to help business expand and to cut unemployment.

Private bankers predict that exactly the opposite will happen and that the initiative and effectiveness of their firms will be reduced.

When they have to admit defeat in the Assembly, opponents of nationalization are planning to turn to the law courts and to France's Constitutional Council. M. Jean-Maxime Leveque, head of one of the banks, insisted today that the article approved yesterday was unconstitutional.

□ France has signed a 4,400m franc (about £440m) contract to supply Iraq with artillery, the first of a number of arms deals being negotiated between Paris and Baghdad, sources in Paris said.

If you regularly travel on business, you'll know what a difference it can make to arrive feeling really refreshed and relaxed.

On November 1st, Laker Airways are introducing a special service on all their transatlantic flights specifically designed to meet the requirements of the international businessman.

It's called Regency Service. And this is how it works.

PREFERENTIAL TREATMENT

As soon as you arrive at the airport, separate check-in facilities whisk you through the formalities with the minimum of fuss.

And preferential baggage handling arrangements speed you on your way at the other end.

FEWER SEATS. MORE ELBOW ROOM

We've ripped out all of the 82 seats in our front cabin and replaced them with less than 50 roomy armchairs.

Armchairs specially designed not only to give you more space, but also to support your back and shoulders. So they remain comfortable throughout the longest flight.

And because the Regency cabin is right at the front of our

wide-bodied jets (where most aircraft have their first class section), you'll find it's more private as well as more spacious.

YOUR CREATURE COMFORTS

You can choose between the smoking and non-smoking sections when you check in.

And once you're in your seat you can look forward to the luxury of being pampered by our highly trained and friendly cabin staff.

Before you take off, you'll be offered a complimentary glass of Laurent Perrier (or orange juice, if you want to give the champagne a miss).

As you'd expect, there's also a free in-flight bar.

And a duty free shop on board.

If you want to catch up on the latest stock market information, there's a choice of newspapers and magazines.

On top of all this, we give every Regency passenger their own hot towels and a kit containing eyeshades, slippers and toiletries.

Astles says he never shot anyone

From Our Correspondent

Nairobi, Oct 20—Mr Bob Astles, the British-born aide to former President Amin who is accused of murder, gave evidence in the witness box in the Uganda High Court in Kampala today. He denied that he killed a fisherman on Lake Victoria in 1977 when he was directing an anti-corruption operation for Amin.

Describing his career in Uganda, which began as a road engineer in 1952 and later brought him into close contact with President Milton Obote (in his first term as President in the 1960s) and with Amin, he said he "no time carried weapons or shot anyone."

At the time of the alleged murder, he was running a hotel-resort complex at Gaba, near Kampala, on the instructions of Amin.

Mr Philip Wilkinson, QC, the defence counsel, told the judge there must be serious doubt about the cause of death of the fisherman, Henry Musisi.

Some prosecution witnesses had suggested that he was killed by Ugandan soldiers who were in the area at the time of his death. Mr Astles was not in the area at the time, he submitted.

Mr George Enesi, the principal state attorney, submitted that there was enough evidence to convict Mr Astles.

Addressing the two law assessors, who will later give their opinion, Mr Justice Manyindo said they must consider the question of the reliability of the witnesses. The hearing was adjourned until tomorrow.

AUSTRALIA BUYS 75 FIGHTERS

From Our Correspondent

Melbourne, Oct 20—The Australian Government has decided to spend about \$A2,500m (£1,562m) on 75 F18 Hornet aircraft for the Royal Australian Air Force.

The Hornets, to be used as front-line tactical fighter aircraft, will be the most expensive purchase ever made by the Defence Department.

This brings to an end a search lasting nearly 10 years for a suitable replacement for the 17-year-old French Mirages.

The Defence Department recommended to the Cabinet the purchase of the McDonnell Douglas F18, instead of the General Dynamics F16 Falcon although the Hornet deal is believed to cost almost \$A200m more. General Dynamics have fought a fierce public relations war costing thousands of dollars over the past 12 months.

The F18 is a twin-engine attack fighter being developed for the United States Navy. It has not seen squadron service and there is still much controversy in the United States over its eventual cost.

□ Wellington: New Zealand will purchase two used Leander class frigates from Britain for £100m. Mr David Thomson, the Minister of Defence, said tonight (W. P. Reeves writes).

The ships Dido and Bacchante are to replace the frigates Orango and Taranaki and join the Walkato and the Canterbury ships of a similar class.

The Dido will be released by the Royal Navy in 1983. The Bacchante will sail to New Zealand late next year and undergo a refit.

Queen's informality was key to tour success

From W. P. Reeves, Wellington, Oct 20

The Queen and the Duke of Edinburgh ended their eight-day visit to New Zealand today when they flew from Auckland bound for Sri Lanka. The visit had been relatively low key with fewer flags and smaller crowds than on the previous five visits.

None of this reflects a declining affection for the Crown, merely that Royalty has become more identifiable with ordinary society. The informality of the visit and the Queen's easy grace during walkabouts fashioned an intimacy perhaps missing before.

In her few formal speeches she emphasized the nation's multiracial quality and spoke of

the rewards of a blending of cultures. Anxiety that the visit might have been marred by the divisions created by the Springbok rugby tour proved unfounded.

Mr Robert Muldoon, the Prime Minister, was prominent in the company of the royal couple. However, opponents' fears that the Government would seek political advantage to enhance his party's chances in next month's general election seem without foundation.

The tour was kept scrupulously free of party politics, and in her only reference to the election the Queen, during a state luncheon, emphasized her non-involvement.



From Now I Laker means business



LAKER REGENCY SERVICE

"The best in the business."

Diplomatic status given to PLO office in Moscow

Moscow, Oct 20.—The Soviet Union today announced that it was upgrading the Moscow office of the Palestine Liberation Organisation by giving it full diplomatic status.

President Brezhnev personally informed Mr. Yasser Arafat, the PLO leader, of the move at a meeting in the Kremlin today, Tass reported.

Hitherto, the PLO office has been accredited not with the Foreign Ministry, but with the semi-official Afro-Asian Solidarity Committee.

Mr. Arafat arrived here yesterday. Tass said his meeting with Mr. Brezhnev was warm and friendly. They agreed that the present tension in the Middle East was caused by the United States and Israel.

Mr. Brezhnev said the Soviet Union would continue to give full support to the Palestinian cause, and praised the role of the PLO as the "sole legitimate representative of the Palestinian people".

Mr. Brezhnev and Mr. Arafat also condemned United States interference in Egypt and American "hostile activities" against Libya.

Mr. Arafat gave his support to the Soviet proposal for a new Middle East peace conference, for which Moscow has been trying to win support in the Arab world.

Diplomats here said the granting of full diplomatic status to the PLO mission appeared to have a largely symbolic value and would not make much difference to contacts between the PLO and the Soviet leadership.

□ Beirut.—A PLO spokesman said here that the granting of diplomatic status indicated the support by the friendly Soviet Union for the Palestinian people and their just struggle for self-determination and the establishment of an independent Palestinian state.

PLO sources said that Romania and Bulgaria had already given diplomatic status to the PLO.

□ Apart from the Arab states, other countries to have done so were Austria, Congo, Cuba, Cyprus, India, Iran, Kenya, Malaysia, Pakistan, Senegal, Sri Lanka, and Tanzania.

□ New York.—President Mubarak of Egypt, said in an interview, published in *The New York Times* today, that he had asked the Reagan Administration to speed up the delivery of military equipment.

Mr. Mubarak also said that he would depart from the policy of the late President Sadat and never criticize other Arab states.

"We are not going to answer or react," he said. "I am going to tell the press today not to attack any of our Arab friends here, even Libya."

Mr. Mubarak reiterated that he would continue the peace process with Israel, but he could not predict whether there would be reconciliation with other Arab governments.

□ Washington.—The State Department today welcomed President Mitterrand's reported offer of French participation in a multi-national force to police Egypt's Sinai peninsula after Israeli withdrawal.

According to the *Washington Post*, Mr. Mitterrand's offer was made in an interview with American journalists in Virginia, where he met President Reagan yesterday. A State Department spokesman, without specifying conditions, said the offer was "very warmly and deeply appreciated."

President Mitterrand's positive attitude, the spokesman said.

Canadian premiers reject Trudeau talks deadline

From John Best, Ottawa, Oct 20

Eight of Canada's 10 provincial premiers have rejected Mr. Pierre Trudeau's call for a meeting next week to debate the federal government's proposals to patriate the constitution.

Instead, at a meeting in Montreal yesterday, the premiers proposed to meet the Prime Minister early next month. They also called for another meeting with Mr. Trudeau in early December to consider how to resolve Canada's rising inflation, rising unemployment, and high interest rates.

An earlier attempt to arrange a meeting on the economy failed when Mr. Trudeau insisted that the press be excluded from the talks.

But it was the constitutional question, which dominated the premiers' meeting in Montreal, which was continuing today, as the provincial leaders waited for the Prime Minister's response to their latest initiative.

Mr. Trudeau had proposed holding a federal-provincial summit next week to try to resolve the deep-rooted differences over the plan to patriate the 1867 British North America Act.

The eight premiers strongly objected to the federal proposals, which they said gave the right to ask Westminster to attach a charter of rights and a constitutional amending formula before returning the Act to Canada.

Only two premiers—Mr. William Davis of Ontario and Mr. Richard Hatfield of New Brunswick—supported the federal package.

Asked if the British Parliament would be requested at the end of this month to give Canada final control over its constitution—with or without provincial approval—Mr. Trudeau said: "It is fair to say that."

But he stopped short of issuing an ultimatum, adding cautiously: "If there is obviously no agreement or possibility of agreement, we will have to give Canadians what they want, a charter (of rights) in the Canadian constitution."

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ROYAL NATIONAL INSTITUTE FOR THE BLIND

US tries to defuse Reagan's remarks

From Nicholas Hirst, Washington, Oct 20

The United States Administration today tried to defuse the uproar caused by President Reagan's remarks about the possibility of a limited nuclear war in Europe. At the same time it dismissed the senior White House military adviser for making an unauthorized anti-Soviet speech.

In his remarks to a group of regional editors on Friday, which went almost unnoticed here until today as angry reactions were reported from Europe, President Reagan said: "I could see where you could have the exchange of tactical weapons against troops in the field without it bringing either one of the major powers to pushing the button."

At the White House today President Reagan disavowed the remarks of Major-General Robert Schweitzer, his military national security adviser, that there was a "drift towards war" with the Soviet Union.

Major-General Schweitzer, whose speech yesterday to the Association of the United States Army, was his personal assessment and had not been cleared by the Administration, is being moved from his post to the Defence Department.

Asked at a photograph session in the Oval Office if he agreed with Major-General Schweitzer's assessment, President Reagan replied: "No, I think this country could have been on a good path that could be described that way. We were unilaterally dismantling and had a widening window of vulnerability and a narrowing margin of safety."

He said he thought the United States had reversed that trend. President Reagan recently announced sweeping proposals to upgrade its strategic nuclear forces on land, sea and air.

The State Department, in explaining the President's remarks on limited nuclear war, said these were fully consistent with NATO's strategy of deterring any use of force by the Warsaw Pact.

But they come at a particularly sensitive time. The American decision to start production of the neutron warhead, a tactical weapon which could be deployed in Europe, and its desire to pursue the production and cruise missiles in Europe, has created strong anti-American feeling, particularly in West Germany.

Talks with the Soviet Union on the subject of "theatre forces" in Europe are to begin in Geneva on November 28.

Major-General Schweitzer said that the Russians have every incentive and capability to start a war. This could serve to heighten European fears.

A State Department spokesman said today there had been no change in American policy.

American defence experts believe a nuclear war in Europe would involve the deployment of the neutron warhead to stop the superior Soviet tank forces. The United States has not so far had discussions about deploying neutron weapons in Europe.

Major-General Schweitzer's comments were wide-ranging and clearly designed to influence NATO's policy. A spokesman said: "We want to knock this one hard."

Salisbury nurses and teachers arrested

From Stephen Taylor, Salisbury, Oct 20

Zimbabwe police today broke up demonstrations by striking teachers and nurses in Salisbury. The police arrested 250 people, including 100 teachers and 150 nurses, and charged them with breaching the law against unlawful assemblies.

Those detained were later released without being charged. But the Government later warned them in a statement that they were contravening the measures introduced last week to reduce an upsurge in political rallies. Police have been instructed to arrest and charge anyone taking part in further demonstrations.

The Government's decision to use regulations, designed to cover political activity, to deal with labour disputes marks a tough new response to a wave of industrial unrest.

The nurses and primary schoolteachers, who were striking over pay, gathered today outside the Ministries of Health and Education. In coordinated operations, police took them to Southern Police station, arresting 500 nurses and 250 teachers and taking them in lorries to police stations.

Today it was confirmed that the Salisbury primary teachers' strike had been supported by action in at least two towns, Gwelo and Harare.

EEC move for a bigger say in defence policy

From Ian Murray, Brussels, Oct 20

The European Commission is in the process of trying to redefine Europe's relationship with the United States. That emerged from two speeches today, one by Mr. Gaston Thorn, the Commission President, in Strasbourg, and the other by Mr. Christopher Tugendhat, a senior Vice-President, in Bonn.

Mr. Thorn looked at the "suspicion and mistrust" between Europe and the United States. He said the United States was being seduced by the siren song of neutralism while Europeans think they see a new form of isolationism arising in America.

The Americans appear to be so intent on the East-West conflict that they tend not to see any other aspect of the problem.

His comments came as the West German peace movement reacted to President Reagan's remark that he could envisage a nuclear tactical weapon war in Europe without the superpowers necessarily being drawn into a world nuclear war.

Mr. Thorn said the solution to the malaise was to ensure that the European pillar of what President Kennedy had called "Two Pillar Partnership" of the Atlantic was strengthened.

Europe does not always speak with one voice, he said, that in many cases it is difficult for the United States to seek Europe's opinion because it does not know who to ask.

By pressing forward with its ideas of political co-operation up to the point of convergence, the Commission believes it will be able to relieve the United States of the pressures it feels from being the dominant member of the Atlantic Alliance.

Mr. Tugendhat went considerably further in again making clear his commitment to the creation of a common European defence policy. There were good reasons why European countries should begin to discuss security issues together.

Arms control had a particular European dimension because of the special situation of the West European countries, he said. The Soviet Union, domestic pressures, such as the West German peace movement, were not shared "on the other side of the Atlantic."

"Some defence problems are the proper balance and arms control, the need for more cost-effective use of defence resources, and questions concerning the deployment of particular types of weapons, touch all the peoples of Europe very directly."

"War, it was once said, is too important to be left to generals. By the same token, matters relating to the prevention of war are too important to be excluded from the European Community."

Greater European coordination in designing and building defence equipment made economic and military sense.

Taping TV ruled to be illegal

From Ivor Davis, Los Angeles, Oct 20

The court's opinion, which overturned 1973 lower court ruling, however, did not specifically address companies who manufacture and sell the popular machines.

The original suit was filed five years ago by Universal Studios and Walt Disney Productions. In November 1976, the Supreme Court ruled against the Sony Corporation of America, who make a machine called the Betamax. Four companies that retail the machine were also named.

It is unlikely, however, that as a result of the ruling scores of video police will actually try to prevent people who own the machines from taping television programmes. That task is virtually impossible.

What it will probably mean is that companies making the machines will be forced to pay a royalty and that if this happens the price of the machines, which now sell for between \$800 (£420) and \$1,500 (£830) will be considerably increased.

Police use tear gas on crowd of 5,000 in Polish steel town

Warsaw, Oct 20.—Police using tear gas cleared a crowd of 5,000 in the steel town of Katowice today. Police restored order after the crowd began rioting the police station and a police van was overturned.

Disturbances occurred when police confiscated anti-Soviet and anti-state leaflets being handed out by members of the Solidarity independent union movement, the state television said.

Hard-line communist students in the town occupied party headquarters at a steel mill and took over a radio station to broadcast demands for the resignation of local party officials, Solidarity said.

In Zyrardow, outside Warsaw, 12,000 textile workers, mainly women, continued an eight-day strike in protest at inadequate food supplies.

□ Solidarity directive: Leaders of Solidarity today told all branches not to take unjustified protest action. The call was in response to an appeal by the Central Committee of the Communist Party (Dessa Trevisan writes).

But with almost half the country in a state of strike readiness and with a critical shortage of supplies in the shops, the union leadership reiterated a warning against the declared intention of the Government to seek parliamentary approval to suspend the Solidarity prerogatives.

The Solidarity prerogatives emphasized that "authoritarian measures" would have no effect. While the union was ready to join efforts to tackle the economic crisis it rejected renegotiation of the three basic agreements signed 14 months ago to which the Government was committed.

Strikes were incompatible with those accords.

The union leaders have taken a flexible and moderate stand in the face of fierce attacks on Solidarity extremism by the Central Committee last week.

The Central Committee's appeal against strikes in a nation "on the brink of economic breakdown" was echoed yesterday by Mr. Stefan Olszowski, a member of the Politburo. He accused the union leaders of totally disregarding Poland's economic difficulties and said "Constitutional prerogatives" would have to be resorted to for the defence of the country's vital interests.

The urgency of resolving the crisis is only too evident in Poland. Industrial production continues to slump, and is already down 14 per cent on last year. Wages are up 30 per cent and inflation is rampant.

Social tension caused by the difficulties of getting essential day-to-day goods continues and general strikes are threatened in several regions unless there is an improvement in the situation.

Practically everything is rationed: meat, butter, flour, alcohol, cigarettes, soap. Industrial production from furniture to television sets, winter coats to boots, are also all scarce. For every 1,000 zlotys in someone's pocket there are only 750 zlotys worth of goods in the shop.

No one wants money, and goods are increasingly replacing currency.

The Central Committee has set some of its priorities: supplying agriculture with enough coal and electricity. But coal production is continuing to fall and the vicious circle goes on.

Urgent solutions are needed with winter approaching and with the private farmers' livestock deliveries to the state declining.

'Censorship' fear in bridge world British captain barred for remarks in novel

By David Spanier

The refusal of the executive committee of the World Bridge Federation (WBF) to accept Mr. Terence Reese as non-playing captain of the British team in the world championship, which opened in Port Chester, New York, yesterday, is being construed in bridge circles as a new threat to that of censorship.

It now appears that one of the reasons the executive committee, chaired by Senator Jaime Gerdol, a member of the famous Bolivian family whose fortune was founded on oil, declared Mr. Reese unacceptable was because in a novel he had written, *Mr. Reese*, he had portrayed a tournament bridge world in a damaging light.

It may be that the sexual scenes in *Mr. Reese* were a little over-the-top, Mr. Jeremy Flint, the co-author, said yesterday, "but surely that has nothing to do with it."

"It was a murder story set in the bridge world of the 1930s. Even if the villains acted like villains, the story did not claim that all bridge officials behaved disreputably or that all players were corrupt. If tournament bridge players are not allowed to write fiction, what are we coming to?"

Mr. Flint, who is *Bridge Correspondent* of *The Times*, added that to object to the book now seemed highly illogical, when he had taken part in the last year's Bridge Olympiad without any objection, a year after the book was published.

In fact, other books about international bridge, portraying players in a far more lurid light, he said, by drugs, corruption, and sexual excesses.

Whatever the literary merits of his case, most bridge players would probably impute to Mr. Reese, as a non-playing captain, a lack of objectivity, quite apart from cheating and sexual excesses.

Although by common consent the outstanding bridge player of his generation, Mr. Reese has never courted popularity and has in fact been an outspoken critic of some of the innovations in the game.

The ladies' team, after a bye in the first session, meets Brazil in the second round and should not be unduly affected by a match against the United States, which has been given centre court status.

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THATCHER VISIT POSTPONED

At the request of the West German Government, Mrs. Margaret Thatcher and Lord Carrington, the Foreign Secretary, have postponed their visit to Bonn for talks with Herr Helmut Schmidt, the West German Chancellor (Our Foreign Staff writes).

It is understood that the request was made before the recent heart operation on Herr Schmidt. The talks will now be held on November 17 and 18.

EUROPE RADIO PLAN REVIVED

By Kenneth Gelling

A standing committee of the European Parliament is considering a fresh initiative by a West German member to revive a four-year-old plan for a supranational radio network.

It would involve a service from a central point beaming programmes throughout EEC countries in the different Community languages.

The original £700,000 scheme was killed off in December 1973 due to lack of funds and French reluctance to surrender editorial control.

The Committee on Culture, Education and Information is also expected to reinforce a motion by Mr. Alisdair Hutton, (Conservative, Scotland) calling on the states to reconsider any planned cuts in external broadcasting—a direct reference to Britain—but also to follow up a motion by the West German member, Wilhelm Hahn, seeking to revive the Euroservice concept.

Originally the idea came from Mr. Gerard Mansell, former managing director of BBC external broadcasting.

Iran offers Amnesty visit, with strings

Hojatoleslam Khomeini, the Iranian revolutionary leader, said yesterday that the London-based human rights group Amnesty International can visit Iran's prisons where 1,800 people have been executed in the past four months.

But he demanded that Amnesty should first condemn the actions of the Islamic Revolutionary Guard Corps and the Basij militia, and tell the world that the Islamic Republic is a democracy.

According to Tehran radio, he also urged Amnesty to denounce the "crimes of the United States, Israel and Iraqi Governments" for their treatment of prisoners. This, he said, would facilitate an Amnesty visit to Iran.

Hojatoleslam Khomeini said that Amnesty had failed to visit prisons in the United States, Israel, Iraq, Britain and Egypt.

Earlier this month Amnesty appealed to Iran to end mass executions and asked Mr. Muhammad Reza Mahdavi-Kani, the outgoing Prime Minister, to release a delegation. But two days ago Ayatollah Khomeini, the Islamic Republic's supreme leader, said that such a visit to Iran would result only in a condemnation of Iran and Islam.

Amnesty says that more than 3,350 people have been executed in Iran since the 1979 Islamic revolution. But Hojatoleslam Khomeini said yesterday there had been fewer executions than assassinations. Courts would pass death sentences, he said, as political killings continued.

He said the number of executions had already declined with a drop in assassinations and sabotage, and 50 per cent of the prisoners of left-wing groups had been released since former President Bani-Sadr was ousted last June.

Ninety per cent of jailed political activists had repented and hundreds of prisoners who had denounced their political parties had been released at the weekend, he added.

He said the Islamic authorities had set up rehabilitation centres to reform those who had repented and promised that prisoners would be allowed visits from their families at least once a month.

Mr. Bani-Sadr, now living in exile in Paris, attacked Ayatollah Khomeini yesterday for his criticism of Amnesty and said he had resorted to executing dissidents to make up for his incompetence in running the country.

He described his former mentor as a "traitor to Islam and Iran, and used clericalism and the armed forces to voice his protest against the Islamic Government's violent campaign against Leftists."

Mr. Bani-Sadr's statement, which was telephoned to Reuters, also called on fundamentalist Revolutionary Guards who carry out the "executions" to join a mass movement to overthrow Ayatollah Khomeini.

Tehran newspapers reported today that 12 landlords who had let their houses to Mujahideen members had been evicted from their properties. The houses had been handed over to "depraved people" in the southern city of Shiraz.—Reuters.

Leading article, page 7

Public pressure on Thatcher to back aid summit

By David Cross

Mrs Margaret Thatcher, and Lord Carrington, the Foreign Secretary, are due to leave London today for Mexico to fully aware that Britain's top political, trade union and church leaders will be scrutinizing their performance carefully at this week's international development aid summit.

In a final reminder that they expected the Government to play an active and constructive role in ensuring a successful outcome of the Cancun meeting, 15 politicians, trade unionists and churchmen issued a statement this week calling for a "better, fairer and more productive world system".

Among the measures they advocated were steps to reduce hunger and malnutrition in developing countries, moves to make it easier for poor countries to sell their products in the markets of rich and to increase the flow of resources to the Third World.

The statement, which was published as a half-page advertisement in *The Times*, was not entirely unexpected since its signatories—who included two former prime ministers, as well as the Archbishop of Canterbury and trade union leaders—have made no secret of their deep interest in development aid policy.

Indeed, many of the signa-

tories have been pressing home the importance they attach to the Cancun summit in recent personal encounters with Lord Carrington at the Foreign Office.

Like the developing countries themselves the signatories are deeply suspicious of Mrs Thatcher's apparent lack of enthusiasm for development aid policies.

In recent weeks, the Government has been going out of its way to dispel the notion that it cannot care less about the developing world. In a series of statements Government ministers pointed out that Britain agrees with many of the findings of the so-called "Brandt" Report, which inspired the Cancun meeting, particularly the recognition that the economic destinies of the developed and developing countries are closely linked.

The latest British line is that the Government believes that this week's summit could well provide an opportunity to set relations between the rich and poor countries "on a constructive course".

With no firm decisions on concrete methods of closing the wealth gap expected to emerge from Cancun, Mrs Thatcher and Lord Carrington should be able to commit themselves fairly easily to any general statement of objectives.

Why the rich must reassess the price of poverty

From Melvyn Westlake, Cancun, Oct 20

Overlapping the summit meeting of 22 leaders from rich and poor countries, to be held tomorrow and Friday in Cancun, Mexico, will be the question of money. Many other important questions—food, energy, the restructuring of the world economy—will be tackled at the summit, but in most cases, if real progress is to be made, it will involve an increase in the flow of finance to the Third World.

This does not mean only foreign aid, but private foreign investment and commercial bank loans as well. Last year's report by the Brandt Commission—which first suggested a summit between leaders of the world's rich, northern and poor southern nations—called for a large-scale transfer of resources to developing countries as part of a four-point emergency programme for the early 1980's. The other elements in the programme were an international energy strategy, a global food plan, and reforms in the international economic system.

The central plank was, however, a big increase in financial flows to the poor. The report urged doubling of aid from the rich non-communist countries, as well as more financial help from East Europe, Middle East oil exporters and international agencies. The report also called for much higher flows of finance to the Third World from the private sector.

Increases in aid of the order suggested by the Brandt report look most unlikely. Aid budgets are being squeezed in some countries, notably

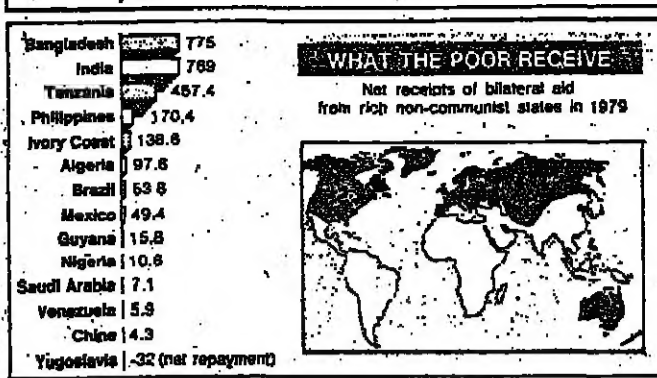
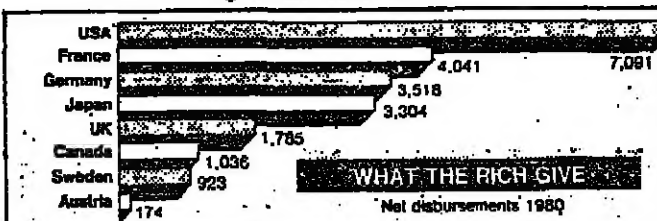
Britain and the United States. Against this, both France and Japan have promised to double their aid in coming years. The best that can probably be expected is a modest, steady rise.

The eight rich countries represented at the Cancun summit—Britain, the United States, West Germany, Canada, Sweden, Austria and Japan—accounted for more than 80 per cent of the \$25,708m given in aid last year by the rich, non-communist countries, and more than 60 per cent of aid from all sources (including that from East Europe and the Middle East oil-exporting states). The 14 poor countries attending the summit received about a sixth of all aid given.

But aid alone is grossly inadequate to meet the financial needs of the Third World and has become a shrinking part of the total flow of finance to developing countries as they have turned to the banks for the money they need. The result is that aid now accounts for little more than a third of all the money flowing from the rich North to the poor South, and is now not much greater than bank lending and other commercial loans to developing nations.

Both the British and United States governments would be happy to see private capital playing a bigger role in promoting economic development. The problem with this is that private investment and bank lending tend to go to a handful of better-off Third World nations. Even these have had difficulty meeting the interest charges on their bank loans, as interest rates

The 22 participants at the Cancun summit
Aid given and received in \$ m



have soared during the past 18 months.

A number of proposals have been made for increasing the total flow of finance to developing countries. It is generally accepted that aid must increasingly be directed to the poorest nations. At present less than a fifth of all aid from the rich non-communist nations goes to the 31 most hard-up, developing countries—the poorest of the poor.

But if more aid goes to the poorest, it will mean that the better-off developing countries will have to depend more heavily on private capital. One proposal which would help this process would involve the

rich countries in subsidizing interest rates on commercial loans. The intention is that this should lead to a substantial overall increase in the flow of private capital to the Third World as more developing nations could afford to borrow in this way.

Another suggestion is that the rich countries should provide guarantees that the banks will get their money back if they lend to the poorer, normally less credit-worthy, countries of the South.

Such schemes have run into many objections from the Treasuries in the rich nations. There is rather wider approval for the proposal to

High Gas flows could herald US earthquake

From Ivor Davis, Los Angeles, Oct 20

The threat of a big earthquake that Californians live with daily could be just around the corner. Excessive radon gas, considered a precursor to an impending earthquake, has been found in a 500-mile stretch from San Francisco to the Mexican border.

Scientists at the California Institute of Technology, in Pasadena have reported above average flows of the gas in two test wells 60 miles east and 90 miles north of Los Angeles.

But Mr Chi-Yu King, a geological survey geophysicist, in Menlo Park, California, said similar high gases have been measured at 95 testing stations throughout the state. The survey has been following the growth of the gas that is emitted from the decay of uranium in underground rocks.

Mr King said the reason the public had not been told about excessive gas was that there was a disagreement between experts on the significance of the findings.

"The leaks are quite extensive," he said, "but we could not say it means earthquakes. However, there has not been such extensive evidence of radon in California before." He said there had been measurements in China of widespread gas leakage followed by earthquakes.

Letter from Atlantic City

Jackpot eludes faded Vegas of the East

Atlantic City has pretension, no doubt about that. As you drive on the expressway from New York or Philadelphia, billboards at the roadside praise the splendours of its casinos.

At the Tropicana, they boast, we shall feel as though we are in Monte Carlo. Being at the Claridge is just like being in London.

The Tropicana does not open until next month, so it remains to be seen whether it will be crowded with Grace Kelly look-alikes. The Englishness of the Claridge lies in its doormen being dressed as Beefeaters and its security guards as London bobbies, with shiny plastic helmets. Beyond them, it is just another gambling haven, tinkling with fruit machines, indistinguishable from the rest.

This seaside resort 120 miles south of New York has always aspired to be what it is not. In the 1920s, when it was fashionable and prosperous for five months of the year, it wanted to be a centre for conventions, to extend its season.

When it became a convention centre it wanted to be a gambling city, the Las Vegas of the east. Now that has happened, it is not quite sure that it likes it. There remains the feeling that casinos are a bit shameful.

"We see gaming as a catalyst for rebuilding as a resort and convention city," said Mr Gerard Kauper, president of the Convention and Visitors' bureau. "We want to attract quality visitors who do not come just for the casinos."

Two of the words he used are interesting. "Gaming" is a posh and not strictly accurate description of what goes on in the casinos; most of the action is at slot machines rather than among tables. But "gambling" is not a socially acceptable word. Under the strict rules by which the state licenses the casinos, they may not mention gambling in their advertisements.

And he spoke of "quality" visitors, a word he uses often. It is what Atlantic City has always wanted but never achieved. The eight casinos that have opened since they were made legal in 1977 have not so far

spread their glamour beyond their vulgar glass and steel walls.

They are bright and busy enough, but the faded resort on which they have been grafted remains drab and blighted. Day trippers from New York play the machines in their raincoats. Though constantly crowded, the casinos claim not to be making big profits, nowhere near the level of those in Nevada, the only other American state that permits them.

This is because the rules that the state established to overcome fears of rampant crime and corruption are expensive to enforce. The casinos have to employ, for instance, a fixed number of staff; the security squad at just one of them is bigger than the city's entire police department.

Partly for that reason, and partly because of high interest rates, most of the 29 hotels and casinos proposed in 1978 have not been built. The Tropicana will bring the total to nine. Work on three others has been suspended and the other sites are still vacant lots.

The city now has the second highest crime level per head of population in the United States—exceeded only by Miami. Fiddles have been invented here. The

On the bright side, convention business is picking up after a calamitous drop in the late 1970s, and the casinos have certainly improved the quality of the entertainments from which visitors can choose.

While the amusements on the three piers are either tatty or closed, something of the old resort remains. At Margate, a few miles south, an old hotel built in the shape of an elephant has been restored.

It only had 10 rooms and must have seemed almost as eccentric in the late nineteenth century, when it was built, as it does today. But then it is scarcely more bizarre than the construction of shiny pavilions full of machines where thousands stand for hours dropping in coins, staring at badly-drawn pictures of fruit, spinning around.

Michael Leapman

SAUSAGE IN PLACE OF KING

Mohammedia, Morocco, Oct 20.—Joseph Guillo, a French ship's engineer, was jailed for years here today and fined about £50 for hanging a sausage on a hook that normally held a portrait of King Hassan.

M Guillo's lawyer said he would appeal against the sentence, imposed of insulting the Moroccan king and the "dignity and feelings of Moroccans".

The court heard that M Guillo said the sausage was "more useful than a picture of the king", and he disregarded protests from Moroccan crew members of the tanker Al Ghassani where he hooked the offending item onto a bulkhead.

The tanker's master, also a Frenchman, was said to have removed the king's portrait in bad weather.

M Guillo, aged 45, a father of two from Quimperle in north-west France, was second engineer on the Ghassani. He had been in custody since August 20.—AFP.

Civilian to administer West Bank

Tel Aviv, Oct 20.—Mr Ariel Sharon, the Israeli Defence Minister, today appointed a civilian to administer the occupied West Bank from the end of the month.

Professor Menachem Milson is to head a civilian administration that will take over such functions as health services, education and agriculture, while the military will concentrate on security.

Palestinian Arabs in the West Bank are to fill some of the senior positions in the new administration, as the first stage of an autonomy plan for the West Bank and Gaza Strip. No Palestinians have yet been appointed.

Officially, Professor Milson will be acting under the authority of the military government in the West Bank, but he is expected to take his orders directly from Mr Sharon.

Professor Milson, who is 48, has served as adviser on Arab affairs to the military government in the West Bank.—AP.

Whitehall's new idea for dealing with local questions.

There's some very worrying legislation about to creep in and out of Parliament.

The idea is to take away your Local Authority's power to levy rates.

If you hate rates (and who doesn't), you could be fooled into believing it's good news. That's what Whitehall is relying on.

But think. Without money your local council is without power. And it can't make decisions.

Look at it this way.

If you want a dark lane made safer with

streetlamps, you'll have to ask Whitehall.

If you petition for more swings in the park, or for a youth centre, you'll have to go to Whitehall.

And because Whitehall is so huge, you won't know who to talk to.

If you come to us with your problems, our hands will be tied.

We'll have come up against this innocent looking law. But like all laws, no-one can argue against it.

It won't matter if your local councillor

agrees the roads are bad. He lives there too.

Or that there aren't enough books at the neighbourhood school, even though his own children go there.

It won't matter if there's no room at the old people's home for our senior citizens.

And there'll be no point in appealing to us. No point in attending council meetings.

As things are, our doors are open.

Whitehall will stay closed.

In silencing us, they

will have silenced you too.

KEEP IT LOCAL

THIS ADVERTISEMENT HAS BEEN SPONSORED BY THE ASSOCIATION OF METROPOLITAN AUTHORITIES, REPRESENTING A LARGE NUMBER OF ENGLISH LOCAL AUTHORITIES, IN THE BELIEF THAT YOU SHOULD BE KEPT INFORMED.

PARLIAMENT October 20 1981

Labour censure motion on unemployment

COMMONS

A group of young people stood and chanted "Jobs not bombs" when Mrs Thatcher, the Prime Minister and Mr Michael Foot, Leader of the Opposition, were in the midst of exchanges in the House of Commons about the unemployment situation and the figures published earlier in the day. Up to eight young people were removed from the public gallery.

Mr Foot indicated that the Opposition would be tabling a motion of censure on the Government over the "terrible and shameful" unemployment figures. They would also fight the Government's plans to sell off North Sea oil interests and restore to British control everything Mrs Thatcher gave away.

Mrs Thatcher replied that she had hoped Mr Foot would welcome the small reduction in the figures and other good signs in the economy. When questions to the Prime Minister began, Mr Peter Viggers (Gosport, Hampshire) introduced a private enterprise and competition into the oil and gas industries have been a British concern, although the process has been confined by both the opposition parties.

This reflects the Conservative Party's concern to help the consumer, to increase competition and efficiency, and reflects the fact that the opposition parties, whatever they call themselves, are still wedded to state monopoly and the other aspects of socialism. Mrs Margaret Thatcher (Barnet, Finchley, C): Yes. The proposals did receive a wide welcome from all who genuinely have a concern for the British economy. It is not as if we have brought ashore by private enterprise and investment and it is not as if we have brought the industrial consumers an element of competition from which to choose sources of supply.

Mr Michael Foot (Edinboro, Lab): We shall fight Government proposals on North Sea oil with every power in our being to protect British interests. We will resist to British control everything the Government give away. We will also be taking the first available opportunity to ask the House to debate and vote upon the terrible and shameful unemployment figures published today. We will therefore be putting down a vote of censure on the Government on that subject.

Was the medium-term financial strategy of the Government one of the worst in the history of the Cabinet today? If so, how many more unemployed would there be if that strategy were to be carried forward?

Mrs Thatcher: The Cabinet meeting was one of several which occurred at this time to discuss public expenditure and to ensure the same thing occurred in the lifetime of the previous government. On the unemployment figures,

I did hope Mr Foot would welcome the small reduction in these figures today and other good signs, such as the number of people on short-term working in the number of people on overtime is up. It is good and welcome news.

Mr Foot: She is omitting the most serious figure of all and that is the figure of an increase of 58,000 in the seasonally adjusted figure which shows, so far from the slightly better tendency of a few months ago, it is now getting worse. I am not going to be able to conceal matters from the country much longer at Cabinet level. I am not going to be able to conceal matters from the country much longer at Cabinet level. I am not going to be able to conceal matters from the country much longer at Cabinet level.

Mrs Thatcher: He will take the raw figures or the seasonally adjusted, whichever suits him best. The actual number of unemployed is 10,000 fewer this month than last. Mr Foot: I am not going to speak as a number of young demonstrators, including a girl, who were not in the public gallery. Mrs Thatcher: We discussed public expenditure. Other matters are left to the Budget.

Mr Derek Foster (Bishop Auckland, Lab): The youth opportunities programme is at the point of collapse because of the Government's failure to increase youth unemployment caused by her Government. Will she give an undertaking now to increase the youth opportunities programme based on work experience?

Mrs Thatcher: No. I do not accept that it is on the verge of collapse. It has done excellent work and will continue to do excellent work and will be joined by another programme for the employment of young people, announced in July, which will start in January. It will take people in their first year after leaving school and give them jobs at £45 a week. That will, I hope, get a number of young people who would otherwise be unemployed registered into jobs.

Mr Timothy Egan (Enfield, North, C): Will Mrs Thatcher congratulate the management and employees of the National Freight Corporation, many of whom are, of course, union members, on their decision to go ahead with the purchase of shares in that corporation?

Will she confirm that privatisation remains the highest priority for this Government and reconsider the decision not to sell the British Gas Corporation?

Mrs Thatcher: I hope we can discuss that last point when we come to the legislative programme for next session. If we get the measures for privatisation and demerger it will be a further big step in the privatisation of the British industry, thus serving the consumer and ensuring that more shares are in private hands.

I will co-operate in congratulating everyone, including Mr Norman Fowler, then Secretary of State for Transport and now Secretary of State for Social Services, on the privatisation of the NFF, a very imaginative scheme, and a vote of confidence in the future of the company, particularly by its workforce.

Mr David Steel, Leader of the Liberal Party (Rushmore, Salisbury and Peabody, L): Following the constructive advice of her new Secretary of State for Employment (Norman Tebbit) to the unemployment figures they might get on bikes, will she enlarge on that and suggest where they might cycle to? (Laughter)

Mrs Thatcher: I hardly think Mr Steel's question does credit to his party or even to him. I had hoped that he too would welcome the slight reduction. (Shouts of laughter)

Answer: I hope that he will also look at the Department of Employment figures and see that 253,000 came off the register last month. An Opposition MP: Not all cycles.

Mr John Blackmore (Dudley, West, C): As the unemployment register is now being revised, will the Government agree that no country immune from world recession and that increased demand on basic public expenditure. Other matters are left to the Budget.

Mrs Thatcher: World recession is affecting unemployment in Germany, Belgium, France, Italy and the United States and most western industrial economies. One or two which have a higher percentage but I am the first to admit that we have more serious problems because of overmanning and restrictive practices not dealt with over the years. We are going ahead with productivity.

Nations with no overmanning which have had better productivity and no pay in advance of productivity have done better on jobs than we have.

Mr Dennis Canavan (West Birmingham, Lab): Bearing in mind all the blarney we were told during the last general election campaign, will Mrs Thatcher Government would introduce the new measures, and this latest obsession about holding referendums, what answer would she give to the people now and asked if they would like to sack the Prime Minister herself for betraying the three million unemployed in this country?

Mrs Thatcher: As I do not propose to do that, the point does not arise. Mr Stanley Thorne (Preston, South, Lab): Will Mrs Thatcher arrange to include in next month's Budget the latest figures of the unemployed and not on the register, the number in the youth opportunities programme and the people on short-term contracts, which is nearer four million than three million.

Mrs Thatcher: I do not think there is ever a complete break-



Thatcher: Welcome news.

Foot: Shameful figures.

down in each monthly set of figures. A sample showed that the number of unemployed, between 60 and 65, was to the best of my knowledge about 9 per cent. The numbers of married women could not be shown each time, but shown at the back of the press release are figures which give the number in special employment and training measures and the number on Youth Training Scheme. Mr Eddison Griffiths (Bury St Edmunds, C): As Mrs Thatcher had time to study a document which the letter box at her home, at Flood Street, as well as those of many other MPs, namely the new state bill from the Greater London Council?

Will she explain who those of us who live at least part-time in London should be subsidising the transport of many millions of foreign visitors on the London tubes, and what steps the Government propose to take to stop

this lunatic from driving industry out of London?

Mrs Thatcher: Like most people in London, I have to pay the special supplementary rate in Chelsea which tends to be rather high. The rates demand being put into practice puts up taxes to intolerable levels.

On the point of why everyone should pay for the transport of a wholly agree. These supplementary rates and the high rates of socialism will not people in London support on reductions in public spending.

Mr Foot: How dare Mrs Thatcher repudiate anybody for raising rates who she has raised taxes for the vast majority of people in this country higher than ever before in history?

Mrs Thatcher: I am not higher than ever before in history, but I look forward to Mr Foot's vigorous support on reductions in public spending.

Dying in dignity

HOSPICES

An undertaking to look in detail into the policy on hospices within the NHS has been agreed by the Secretary of State for Social Services, Mr Norman Fowler.

Mr Fowler said that the Government would introduce the new measures, and this latest obsession about holding referendums, what answer would she give to the people now and asked if they would like to sack the Prime Minister herself for betraying the three million unemployed in this country?

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Moves against Dutch growers

The EEC Commission is to bring forward proposals this week to prevent the Dutch Government from subsidising its glasshouse industry by allowing it to buy cheap Dutch produce for export.

Mr Alick Buchanan-Smith, Minister of State for Agriculture, Fisheries and Food, said in a statement.

Reporting on yesterday's meeting of the Council of Agriculture Ministers in Luxembourg, he said: The Council had a general debate on the Commission's guidelines for future decisions on the common agricultural policy contained in its report under the council of foreign ministers' mandate of May 30, 1980. There was a constructive discussion out of which widely differing views emerged. These issues will now be considered by the foreign affairs council in preparation for next month's meeting of the Council of Ministers.

I emphasised the very real need both to contain the cost of the CAP and to deal with the problems of surplus. We supported the Commission's recommendation for a strict policy of discipline, particularly for production in surplus, and the need to relate these more closely to world prices.

It is agreed that the Community should develop closer co-operation with overseas trading countries in order to stabilise world prices. Regarding measures to discourage overproduction, I proposed that those levies on production which discriminate between producers.

I strongly supported the Commission's proposal that there must be stricter controls on national aids. One country, France, advocated restrictions on the import of certain feedstuffs from third countries. I opposed this because of the adverse effect on food and feed costs.

The changes recommended by the Commission should continue to slow the growth in agricultural spending. I stressed that in our case the growth in agriculture expenditure should be markedly below the growth in the Community's own resources.

The Commission reported on its further discussions in the Netherlands to eliminate rapidly the preferential tariff available to Dutch growers. The Commission had sought to remove this distortion from the start of the 1982 financial year.

Supported by the great majority of member states, I emphasised again the serious difficulties faced by United Kingdom growers, and the need for a solution to the 1981 financial year about to start.

Mr Dalglish, the Commissioner, said that he would be presenting his proposals to the Commission this week, and that these would be for the current season.

Mr Buchanan-Smith also discussed the recent Commission proposals on banana prices for home.

I said that after a reasonable period of time the price for each banana should be increased to 600 square centimetres. I also made clear that there must be no off-the-shelf increase in banana prices. A number of differing views were expressed, but some countries supported the Commission's proposal to increase the price of bananas.

The French requested adjustment in MCAs to help their pig industry. The Commission refused this.

Mr Roy Mason, Opposition spokesman for agriculture (Barnes, Lab): He must be aware of the extreme anger in the British glasshouse industry and in this House. It has suffered considerably in recent times due to subsidised glass being provided to Dutch glasshouses, thereby creating unfair competition and cheap imports. Meanwhile the Commission has taken no action against the Dutch, leaving the problem to national governments to solve as best they can.

Is the Commission looking at a formula which may equalise food costs in the glasshouse industries within the whole of the EEC? When is it likely to be agreed by ministers and who will they?

On battery hen cages, the animal welfare lobby will have to be recognized. There is growing concern about the welfare of the community on this issue. I hope he will continue to bring pressure to bear on the other agricultural ministers within the Council to get larger cages.

We have the best record within the EEC. Mr Buchanan-Smith: We are seriously concerned about the unfair competition with which the glasshouse industry has had to contend. We are not alone in the

Mr Buchanan-Smith: I hope we may not meet unless it is because in this issue the United Kingdom is by no means alone. Almost every other country feels the same way. Mr Stanley Thorne (Barnet, Finchley, Lab): The Government should make it clear that it will in no circumstances be prepared to stand by the Dutch Government's position that if the proposal is not accepted, it will not produce any goods for some considerable period. The Government will take unilateral action.

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Court of Appeal

Law Report October 21 1981

Queen's Bench Division

Court declines to dictate police policy

Whether arbitration is incorporated

Regina v The Chief Constable of Devon and Cornwall, Ex parte The Central Electricity Generating Board

Before Lord Denning, Master of the Rolls, Lord Justice Lawton and Lord Justice Templeman.

[Judgment delivered October 20]

The Central Electricity Generating Board was held by the Court of Appeal to be entitled to use self-help to remove obstructions from carrying out survey work on a farm in Cornwall with a view to comparing that site with other possible sites for a new power station. Lord Denning held the obstruction to be a breach of the peace so that the police would be obliged to remove it. The board cleared the obstructions off the site. However, the decision of the Chief Constable not to interfere with the police decision with which the courts should not interfere, although it was hoped that he would decide to use his men to clear the obstructions off the site or to help the board to do so.

Their Lordships, in reserved judgments, dismissed an appeal by the board from a decision of the Queen's Bench Divisional Court (Lord Justice Hodgson and Mr Justice McCullough) on July 28, 1981, which had granted an order of

PARLIAMENT (Continued)

Archbishop maintains criticism of British Nationality Bill

LORDS

For the first time there was a Bill which gave British citizenship, carrying with it without question the right of abode in this country and this must surely be good for race relations, Lord Bishop of Exeter, Under Secretary of State, Home Office, said when he moved that the British Nationality Bill should now pass.

The Bill, he said, marked a long overdue reform of the nationality law. He wanted to emphasise the Government's total commitment to the maintenance of the existing strong links with British dependencies. Nothing in the Bill in any way weakened the United Kingdom's constitutional relationship with them or the right or commitment to represent their interests internationally.

He expressed surprise that Lord Elwyn-Jones had tabled an Opposition amendment which referred to "injustice", "saturnity" and "uncertainty" and "racial tension".

The Bill was an endeavour to modernise the nationality law, an endeavour which the Labour Party had previously recognised as being necessary and overdue. Lord Elwyn-Jones moved his amendment which said the Bill would result in injustice, greatly increase the number of stateless men, women and children, create new uncertainties and feelings of insecurity and exacerbate racial tensions.

He said Labour peers believed that much as it had been improved during its passage through Parliament, the Bill as it now stood was still so objectionable as to merit special condemnation.

The Bill remained seriously unbalanced. The Government had not yielded an inch on the principle of jus soli, the acquisition of British citizenship by the simple fact of being born in Britain. It should have been retained. It was simple, clear and familiar and avoided statelessness on British soil. It had been replaced by a complicated provision which was a mixture of birth, descent and immigration status.

For the first time in British history, a number of children born in the United Kingdom would be stateless, running contrary to national tradition and precedent.

Lord Archbishop, for the Liberals, said the changes to the Bill did not alter the fundamental objections to it. The concessions were mainly designed to placate white middle-class opinion.

The Archbishop of Canterbury (the Rt Rev Robert Runcie) said the main criticism of the Bill which he and others made in a second reading last week, it was a complicated and bad Bill then and it was a bad Bill now.

The changes made had not altered the basic principles on which it was based, nor removed the objection which had been put forward by those who felt they must voice the fears, particularly of the ethnic minorities, to whom the Bill had been put.

I want to place on record (he said) our deep concern that on so fundamental a matter as nationality, we seem about to pass

into law a measure which in the view of the leaders of all our churches—and we are increasingly working together in these matters—is questionable when judged by moral principles and the effects of which will be to sow doubts in an area where reassurance is desperately needed.

History would judge that this was a great opportunity missed and this was a Bill of which future generations would not be proud.

It could have been a better Bill if some amendments narrowly lost in certain cases had been passed, I regret the loss (he said) of the amendment, moved in the name of myself and three other bishops, to retain the principle of jus soli. It would have been a much simpler Bill if that fundamental change had been accepted.

As to the future, the churches remained profoundly unhappy about the Bill.

Lord Runcie: Objections not removed

about the Bill. I wish to register this (he said) by voting for the amendment in Lord Elwyn-Jones's name.

If and when this Bill becomes law, we shall seek to help people to understand it and to claim their rights under it, until such time as, I hope, a new Bill based on sounder principles can be introduced. I believe that the democratic way, which is the democratic way, we will have no truck with those who are determined to make mischief. I believe that the Government can help greatly if the administration of this legislation can be characterized by the qualities of generosity and understanding.

In drawing up future legislation there should be the closest consultation with the Commission for Racial Equality and the organisations representing the ethnic minorities. The Bill provided a high degree of uncertainty, and it could be used helpfully, and he appealed to the Government to use it in that way.

There was a growing sense of alienation and discrimination among immigrant communities, to which the Bill, in his view, would add. He said that those who talked of reputation had increased.

Lord Kadoorie of Iowloon, in a maiden speech, said there was no doubt that China intended to use to fullest advantage the facilities, and expertise, of the ethnic minorities concentrated in Hongkong and that of all western powers the United Kingdom was best placed to assist in this process.

To many Hongkong citizens (he said) the proposal that we are no

longer to share a common citizenship with those of the United Kingdom and colonies gives an impression of rejection, a feeling that at this important stage in our history Britain is distancing itself from Hongkong, that we are losing our Britishness.

Lord Aylesford (SDP) supported the official Opposition's amendment because, he said, the Bill could not do anything more than exacerbate the present situation.

Lord Geddes (C) said the Bill as it left the House would create feelings of insecurity.

Lord Taverne (I) said he had been alarmed to read a report that 10 hospitals had been selected for a pilot scheme in which patients' nationality would have to be established first before they were given NHS treatment.

Did this mean that his wife, who was Chinese, if she went to one of these hospitals would be asked about her nationality although she was a British citizen?

Lord Auckland (C) said he would support the Bill although he was particularly worried about the effect of it on the Commonwealth. He was concerned that the Bill gave the impression that there was one rule for the EEC and another rule for the Commonwealth. There were serious anomalies in it.

Lady Elkes (C) said she warmly welcomed the Bill. It was time it was recognized what a great contribution it was making to British legislation. For the first time they had a nationality Act which depended on merit with this country regardless of race, colour, creed or religion.

Lord Harewood (C) said it was not the job of parliamentarians to add a rider such as the amendment to a Bill which they recommended should be passed.

I was appalled (he said) to hear the Archbishop of Canterbury say he would vote for and support this amendment. I accept his arguments and respect his views, but to say that he is prepared to put on record that he is allowing to go through a Bill which will exacerbate racial tensions is virtually inviting people who intend to exacerbate race relations to do so. This is an excuse to go on doing just that.

I am glad he said he was only voting for the bishops, because as a practising member of the church I do not think he was talking for the whole of his flock.

Lord Selkirk said he rejected the charge in the amendment that the Bill would create uncertainty. Under the Bill, British citizenship would carry the certainty of right of abode in this country. It would make secure the position of many people who came to settle here from overseas.

The amendment was rejected by 149 votes to 92—Government majority, 57, and the motion that the Bill should pass was agreed to.

Earlier the Government accepted, on the third reading of the Bill, an amendment moved by Lord Pitt of Exmouth (Lab) which sought to ensure that Commonwealth citizens' children settled in this country before January 1, 1973, would be able to benefit from the entitlement to British citizenship conferred by the Bill.

Plastic bullets effective in crowd control

TERRORISM

The plastic bullet was three times more deadly than the previously used rubber bullet, Lord Brockway (Lab) claimed during a question to the Earl of Gowrie, Minister of State for Northern Ireland, on the use of plastic bullets by the security forces in Northern Ireland and Great Britain.

The Earl of Gowrie: An answer to a question yesterday set, but the guidelines which will govern any future use of baton rounds in Great Britain. In Northern Ireland, baton rounds have been available to the security forces since 1969.

In circumstances where there is risk of loss of life or of widespread destruction of property, the Chief Constable and the General Officer Commanding consider that baton rounds are the most effective means of controlling riots, consistent with the use of minimum force. The Government agrees with that view.

I hope that the decline in violence following the end of the hunger strikes will continue, thereby reducing the need for such forms of control.

Lord Brockway: Plastic bullets were introduced because the rubber bullet was thought to be

too lethal. The plastic bullet has proved to be more lethal than the rubber bullet.

The published figures are that one person is killed from 18,000 rubber bullets fired and one person is killed from 5,000 plastic bullets fired. This shows that the plastic bullet is three times more deadly than the previous rubber bullet.

Lord Gowrie: The plastic baton round was introduced because it was considered to be more effective in crowd control than the rubber bullet.

I went to the forensic laboratory in Belfast to examine the plastic bullet, itself an unpleasant weapon. It has been effective in reducing violence, and I hope that the need for its use will be curtailed.

Lord Brockway: Does not the use of this weapon and other lethal weapons by the police in the words of the Home Office Working Committee, indicate "a significant departure from the traditional police image" and destroy its civilian unarmed status?

Lord Gowrie: Everyone regrets that the police should have to use any weapons on any occasion. My judgment is that the presence and knowledge about this weapon has reduced the need for the police to use other kinds of arms which could be more lethal.

While he believed that really

Disclosure provisions unchanged

COMPANIES BILL

Opposition attempts to restrict the number of companies which would be given exemption from having to provide information about their accounts was defeated by 169 votes to 143—Government majority, 47, when the Companies Bill resumed its report stage.

Mr Clifton Davis, an Opposition spokesman on trade (Hackney Central, Lab) said the Government had got it wrong in trying to define the size of small companies. The Government said that to come within such a definition a company must not have an annual turnover of more than £140,000, a balance sheet total of less than £700,000 and should employ less than 50.

The turnover in the higher echelons of the Government's figure was hardly a small company, and the balance sheet figure was not substantial, while the number of employees was more appropriate to the term small company. The Opposition amendment suggested £250,000 for the annual turnover and £125,000 for the balance sheet, with the number of employees reduced to ten.

While he believed that really

would make him the shortest

Minister, but certainly the most

Mr Chalker: It is high time he

Impact of joblessness on health

There was no evidence of any relationship between unemployment and health, said Dr Gerard Vaughan, Minister for Health, in a pilot study on unemployment and health found there was no clear relationship between the two, he added.

Dr Vaughan (Reading, South C), answering a group of questions from Labour MPs, said that the report on unemployment and health in families by Dr Leonard Fagin was an excellent pilot case study which showed yet again how

right the Government was to be

concerned about the cutting of

inflation and unemployment. But

it was a pilot study of only 22

families and MPs would want to

hear that in mind when reading it.

Mr Joseph Dean (Leeds, West, Lab) said that the size of the inquiry, the one thing which

crossed clearly is that with

increased unemployment there will

be an increasing number of people

who are ill because of the Govern-

ment's policy. When is the Govern-

ment going to find some

remedies? small and medium sized

companies to claim such exemp-

tion to the detriment of the public.

Mr Reginald Eyles, Under Secre-

tary of State for Trade (Birmingham, Hall Green, C) said that the

nature and extent of the account-

ing exemption provisions in the

Bill had been widely welcomed.

The Opposition amendment was

misguided and unacceptable. It

would reduce significantly the

number of small and medium sized

companies able to take advantage

of the accounting exemptions

available to such companies.

The Government's policy was to

assist the smaller company sector

wherever that was possible and

reasonable. The thresholds for

determining the size of small and

medium size companies had been

set at the maximum under the

Fourth Directive for the classifica-

tion of such companies so that

the maximum number of com-

panies could make advantage of

the accounting exemption. That

would help their competitive po-

sition in relation to large com-

panies and groups.

The report stage was con-

cluded and the Bill read the third

time.

Isle of Man and Channel isles defended

TAX AVOIDANCE

A Labour MP was refused leave by 151 votes to 124 to introduce a Bill which he said was aimed at curbing tax avoidance by United Kingdom companies through the Channel Islands and Isle of Man.

Mr George Foulkes (South Ayrshire, Lab) said the islands provided an easily accessible English bolt hole for every kind of avoidance of United Kingdom tax.

Governments on the islands actively encouraged the use of the islands for tax avoidance.

So-called stability on the islands was provided by a feudal electoral system which stifled any potential opposition and many of the islands' government members were directors of the banks and companies which were increasingly flocking to the islands.

Mr Albert McQuarrie (East Aberdeenshire, C) opposing the Bill, said it represented an intrusion on the rights which had been invested in the governments of the islands. There already appeared to be adequate legislation to cater for companies transferring to these alleged tax havens.

The Bill was a publicity stunt.

health service (Grewe, Lab): If the Government is determined to use unemployment as a method of disciplining the workforce, why does he not use the basis of the cohort study, which not only looks at the higher death rate, apart from all the other psychiatric problems?

Dr Vaughan: There is at the moment no evidence of a relationship between unemployment and the death rate. The Queen Mary College study is to look at this aspect and we support it. If you look at the figures between 1922 and 1976 there is no correlation which follows on from unemployment. The umbrella figures apply only to America, but they are being looked at in this country.

If he is not convinced by that, what is it going to take to prove to him the damage this Government is doing to ordinary people?

Dr Vaughan: Yes, I have a clear and deep sympathy for these people. It is every person's right to have the opportunity to work and to work in the kind of job which is best suited to them. I am surprised at the line of the questions from Labour MPs. I would have thought they would have drawn attention to the fact that the unemployment figures are actually down today by some 12,000 (Labour interruptions).

Mr Paul Dean (North Somerset, C): While there are no easy political answers to the complex human problems of unemployment and health, will be undertaken to give special consideration to the financial needs of the long-term unemployed with dependent children, in view of the evidence that they are being hit far harder by the necessary economies in the social security budget?

Dr Vaughan: Yes, I am glad to assure him that these supplementary benefits have been fully maintained, and for the first time we are expanding the long-term supplementary benefit for older people who are unemployed.

Mrs Gwyneth Dunwoody, an Opposition spokesman on the

latest NHS drug bill reaches £787m

The Government was looking at the take-up of drugs with a view to prescriptions being used as economically and efficiently as possible, Dr Gerard Vaughan, Minister for Health said.

Mr David Knox (Leek, C) had asked what was the cost of drugs dispensed under the NHS in each of the past three years.

Dr Vaughan (Reading South, C): Expenditure on drugs in England, excluding hospital services, was: 1978-79, £564m; 1979-80, £643m; and the provisional figure for 1980-81 is £787m.

Mr Knox: Is he satisfied large points out but quotes sources and makes it clear that where unemployment exists there is a 30 per cent higher death rate, apart from all the other psychiatric problems?

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The Times-Profile: The Manpower Services Commission

Plenty of money to spend — but who is minding the child-minders?

By David Walker and Peter Hennessy

Today, like every other weekday morning, 30,000 of this country's 16 and 17-year-olds will report at colleges, factories, offices and workshops — subjects one and all of Special Programmes. "Special" was the bureaucratic way four years ago of implying that schemes for jobless youths were meant to be temporary; few are special any longer. With unemployment among school-leavers in some districts running permanently at between a third and a half they will never be special again.

The two score of young trainees who are now clocking-in at the dilapidated St Peter's teachers' college in Salford in Birmingham are probably typical. St Peter's is like a thousand other places in the industrial wastelands of the Black Country, Teesside or Lancashire where Special Programmes are making work. The volunteers for this new deal punch time cards because that is good practice, good industrial discipline for the real jobs that might one day come their way.

Some come straight from school, early earmarked by Birmingham City's careers staff as destined for the dole. Others have been unemployed, referred by job-centres, some are back from temporary placements as an extra pair of hands for some local employer. Special Programmes' young pensioners get £23.50 a week subsistence. The dole pays £17. Staying on at school pays nothing. Special Programmes does not lack for clients, and that explains why Salford 16-year-olds are on the receiving end of one of the most spectacular examples of peacetime government growth since Lloyd George put up the first scaffolding of the Welfare State 70 years ago.

Although Salford's youth could not give a fig for the nuances of administration, Special Programmes is the classic creature of the modern corporate state, the Manpower Services Commission. Hived off, not directly accountable to Parliament, spendthrift, the MSC has grown fat on recession and still puts on weight even under the Thatcher retrenchment.

Holding company for workless

Its officials, self-confident open outspoken men, have identified Whitehall's winning game and played it well: demand-led growth, the principle that staff and budgets follow the same upwards curve as national unemployment. The reward, a one knowledgeable cynic put it, has been to spread the privilege of having a drinks cupboard in the office further than ever down the line.

Yet as long as politicians care about Salford's jobless 16-year-olds, Special Programmes there must be. Being a national youth-minder, as the MSC has become, is an expensive business. The MSC's £900 million budget employs the Salford trainees and their instructors, albeit temporarily, and if they do not emerge from their six or twelve months' wood and metal-working courses with few skills, they might at least be more employable. The MSC keeps them off the streets. And this summer that might just have been the MSC's Special Programmes' most telling defence.

Conceived by Mr Heath's Tory government in that era of innocence before the spectres of the Organization of Petroleum Exporting Countries (OPEC) and prolonged slump began to bite, the MSC was meant to be a holding company to look after the employment and training services of the Department of Employment. A fashionable theory said these services should be hived off, removed from the direct supervision of the Secretary of State for Employment. Equally fashionable theory — remember this was after Mr Heath's U-turn — dictated that the MSC have a "tripartite" set up. The ten commissioners, to whom in theory the MSC's 24,500 staff are answerable, represent the Confederation of British Industry, the Trades Union Congress and a clutch of peripheral interests in education and the voluntary services. The third party, the government, pays the bills.

In seven and a half years since its establishment in 1974 the MSC has changed. No one planned the present MSC, former Employment Secretary Mr James Prior has told MPs it was "bad luck" that unemployment swallowed up the original idea. Under the Callaghan administration the MSC became the conduit for socialist blood money poured in almost indiscriminately because the MSC was the only administrative vehicle around that might DO SOMETHING about joblessness.

So the MSC grew a third arm in addition to its original functions of improving labour



The Youth Opportunities Programme provides help backstage at the Croydon Warehouse Theatre.

skills (by means of its costly and not terribly efficient Shillingtons) and finding people jobs through labour exchanges rechristened Job centres. The third arm was Special Programmes, born in 1978. In the years since Special Programmes have taken on 1,200 administrative staff and increased spending by £300 million a year. Placements on special programmes grew from 60,000 in the first year of operation to around 600,000 planned for the current year.

MSC's budget has grown from just under £400 million (in late 1979 prices) in 1975-76 to about £700 million on the same price base this year. Some portion of this went on selling the MSC's image: marketing, public relations and corporate identification. There has always been big at Salford House, the organization's High Holborn headquarters. MSC newsmen entered the vocabulary of teachers and employers; few 16-year-olds leave school nowadays without some familiarity with Yop, Weep and Wics — MSC acronyms for the youth opportunities programme, work experience on employers' premises and work introduction courses.

Locally, the MSC established a network of regional offices dispensing an impressive amount of patronage in the form of committee appointments. The Birmingham office of Special Programmes, with 75 staff, runs a number of West Midlands committees recruiting high and low — from the Bishop of Worcester to the Regional Office of the National Union of Public Employees. The committees are meant to lubricate local bargains between colleges, councillors, chambers of commerce and shop stewards so schemes for the young jobless can get started. Success is measured in places. The Birmingham Special Programmes office mounted 6,500 places in 1979-80; 23,000 this year.

Accentuate the positive

So far MSC style corporatism has got results — measured in training places, schemes mounted, money spent and make-work for the youth of Salford. Something has happened, and that is the MSC's achievement, says Mr Geoffrey Holland, director of the commission. "The problem with Britain is that there are so many people around who can stop things happening. To have something — meaning the MSC — that can help things to happen is very valuable."

Yet the MSC has an impressive array of critics, not all convinced by the Rooseveltian enthusiasm of Mr Holland. Some critics, for example in the local teaching service or the Department of Education, are merely jealous of the MSC's cock of gold. Had education in Britain not been riven by its local-central split and the schools' tatty recognition of their obligations to pupils' job prospects then education might have got the money that the MSC now has. There was a time in 1977-78 when Mrs Shirley Williams was Secretary for Education when the unemployment blood money might have found its way directly to the schools and further education colleges.

As it is, the MSC buys courses from local colleges and the MSC pays the salaries of an uncounted number of trainers and counsellors who are nominally on the books of local councils. The public

financing of further education has therefore become worryingly complex; provision for the 16-19-year-olds population a maze. Training at St Peter's, Salford, can cost the MSC some £2,000 per year per place — not too far short of the cost of tuition in a university.

How to measure the effectiveness of such training or other youth placements? Hard evidence is rare and difficult to assess in a slump; anecdotal evidence isn't good. Mr Michael Heseltine, Environment Secretary, got an earful of trainees' complaints on his Merseyside walkabout — "I...ing useless" was what he heard. His solution is to put more trainees to work on "useful" projects, run by the very local authorities which are the target of the Government's campaign to reduce public sector employment.

But serious questions remain about the value of local special programmes. The structure of the MSC excites other, bigger worries. Sir Leo Pliatsky, commissioned by Mrs Thatcher to review the growth of secondary bureaucracy (quangos as its symptoms are known), noted that until 1979 the MSC had employed such a priority in public spending allocations that it had been saved from making hard choices. He wondered if the dual responsibility for employment of the MSC and the Department of Employment would always make the ordering of priorities difficult.

Certainly the MSC's connections with Whitehall and Parliament are complex, hinging in part on discussion by MPs of the MSC's corporate plans. Only recently and reluctantly vouchsafed to them, and in part on a ministerial sub-group of the Cabinet economic strategy committee which together with an interdepartmental manpower group chaired by Mr Donald Dux, a deputy secretary in the Department

of Employment, oversees the MSC's doing. The tripartite organization of the commission apposes the enlistment of the cooperation of trade unions and employers in the various schemes. It also stops certain fundamental issues being properly aired — because they might offend one of these social partners. Wage rates for young workers is one taboo; trade unions have been reluctant to have the MSC make much progress in overhauling Britain's apprenticeship system and complacent employers have been happy to go along.

Not surprisingly, the MSC's top officials are its most assiduous apologists. Mr John Cassels, director until the end of September, believes it to be the handmaiden of a great transformation of Britain's labour force into a body of workers poised to take advantage of the new technologies now in prospect. In this view, the MSC's Special Programmes are a temporary dislocation. Look instead, he admonishes, at the MSC's new training plan, a long term plan of immense importance to the economic life of the country and to its social cohesion. ("Working for the MSC has not hurt Mr Cassels' civil service career. He has moved to become a second permanent secretary with Sir Derek Rayner's Cabinet Office waste unit.")

100,000 flowers bloom

But in Mr Geoffrey Holland, the MSC's newly appointed director, there is an unabashed evangelist for Special Programmes. They have to be operated outside the normal constraints of a central government department's tidy "rule-book," he says. Schemes for the young jobless have to be created locally and a host of diverging interests reconciled. This needs, according to the Hol-



Geoffrey Holland, MSC director of Special Programmes, with Karl Bailey, aged 16, the 500,000th entrant to the Youth Opportunities programme.

Solidarity: what a pity it does not include the women of Poland

A visit to Poland at the moment is for anyone a heady experience. For a woman the experience can also be strangely disorienting. On the one hand there is still an overwhelming barrage of courtesy, particularly for a woman with a small child. In any crowded Warsaw tram there would be intense competition to give me a seat; in interminable queues for boarding aeroplanes I was whisked to the front and escorted on board while armed soldiers kept back the childless rabble. The effect of all this was slightly amusing, very charming, and most seductive.

But this is not the only aspect of women's life in Poland. In a Communist state, despite the strong survival of male deference, women can and do work as road-builders, doctors and crane drivers. So it would seem that Polish women enjoy the best of all possible worlds: old-fashioned protective courtesy in the best traditions of Catholicism combined with economic and political equality engendered by Communism. However, this apparently utopian picture cracks when one examines the power structures, even within an organization that stands for forward-looking idealism and democracy: Solidarity.

Solidarity's membership has grown enormously in the past year and is now thought to have stabilized at about 10 million, or one in three of the population. Having developed from a "worker underground movement," its hierarchy has now been established: below the president are two vice-presidents, then a praesidium of about 10 and then a council of 100. Every one of these, from president to lowest council member, is male.

There was once a woman on the council, and her story is illuminating. Anna Walentynowicz was a welder in the Gdansk shipyards. Besides being a widow and a good Catholic, she was active with Lech Walesa in the resistance movements which preceded the setting up of Solidarity. She was the focus for strike action when the authorities tried to dismiss her for her political activities. Then, as a member of the Solidarity council, she was a figure of great popularity throughout the land as Walesa himself.

Ransomed for union support

Special Programmes are new, they need improvement, says Mr Holland. The problem that Roosevelt found, and we have found is that you can have 100,000 flowers but you are not sure which are the most sweet-smelling. We have to move towards something like Her Majesty's Inspectorate of schools. The problem is now, however, being given high priority. These relationships may hold the keys to two of the most pressing problems facing satisfactory contraception for women in the Third World. In Africa, Asia, and South America, however, breast feeding is the most important factor in spacing pregnancies. It is still not readily available. So how does breast feeding prevent pregnancy, and how reliable is it?

In primitive communities such as the Kung hunters in the Kalahari desert the average interval between births may be as long as four years: this spacing seems to be entirely due to the contraceptive effect of breast feeding. As soon as the Kung leave their nomadic way of life and settle in towns and villages, the birth interval drops. Few European women seem able to go much over a year before another pregnancy (assuming no other form of birth control) and the interval may be as short as four to six months.

The explanation for this wide variation lies in the mechanism by which breast feeding protects against pregnancy. Milk formation by the breasts is controlled by a hormone, prolactin, secreted by the pituitary gland at the base of the brain. So long as the blood contains high levels of prolactin the pituitary does not secrete the trigger hormones that lead to ovulation, menstruation, and the possibility of pregnancy.

Recent research has shown that the amounts of prolactin



Rachel Cullen

Yet the union convened a "workers court" in an attempt to remove her from its council. The grounds were that she was politically naive and too radical — this despite her long political apprenticeship in the pre-Solidarity underground free union. The court, however, found in her favour and so she could not be ejected, but later she resigned from the council. In the Gdansk Solidarity strike last December she was to be found still working for her union, though now in the kitchens.

The story is the same in other sections of Solidarity: women who had been active in the underground movements began with a voice in the new union, but almost all have now lost their positions of power. Anna Walentynowicz was the Gdansk regional council for the shipyard, but is so



(Only two women among Polish workers at Fiat)

Breast-feeding and pregnancy: some truth in the old wives' tale

Only in the present century have women in western countries acquired the freedom to become sexually active while rejecting a life pattern based on repeated pregnancies. Yet while the sociological consequences of this new freedom have been examined in the minutest detail, the hormonal effects have come under less scrutiny.

Unravelling the complex links between hormones, fertility, pregnancy, and lactation is now, however, being given high priority. These relationships may hold the keys to two of the most pressing problems facing satisfactory contraception for women in the Third World. In Africa, Asia, and South America, however, breast feeding is the most important factor in spacing pregnancies. It is still not readily available. So how does breast feeding prevent pregnancy, and how reliable is it?

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depend critically on the frequency and duration of stimulation of the nipples by the sucking infant. The Kung bushwomen achieve their amazing three years of infertility because they feed their infants on demand — often at intervals as short as 20 minutes. When these women move into villages and no longer feed their babies so frequently they become pregnant more quickly.

Research in Edinburgh has shown that the contraceptive effect of breast-feeding persists for as long as the baby takes only breast milk. As soon as the mother introduces supplementary feeds — either in the form of solid food or formula — the prolactin secretion declines and ovulation becomes more likely. Only while she feeds exclusively with breast milk and allows her baby to suckle as often as he wants can a mother hope to postpone her return to fertility.

Is this further scientific ammunition for the pressure groups campaigning against the promotion of dried milk? Should not women in Africa and Asia be taught more about the contraceptive effect of prolonged breast-feeding?

Sadly, the issue is more complex than that. Research in Guatemala has shown that peasant women are commonly so poorly nourished that their breast milk can provide only half the protein and energy required by a baby of three months. If a mother relies on breast milk alone her baby's growth will be slow and he will become weak and malnourished. If she supplements her breast milk (with all the attendant risks of gastroenteritis from polluted water and dirty feeding bottles) she is likely quickly to become pregnant again.

The implications of these research findings are plain enough. The miserable cycle of frequent births and high infant mortality which persist in developing countries so long as women are starving. Only by ensuring that the mothers' nutrition is adequate can governments hope to lower the birth rate and the infant mortality rate.

A second, thought-provoking implication for research groups is that human lactation might be the most "normal" model for contraception — at least for the spacing of births.

At present, however, the focus of research interest in studies of sex hormones in Western communities is the link between breast cancer

no longer. A woman used to head the doctor's section of Solidarity for the women's division; she has been ousted. Indeed, in the capital there is now only one division headed by a woman; the intervention section, which follows up cases of individual complaint against the state. She, of course, may stay entrenched in her position, but the short history of women in Solidarity makes this at least doubtful.

Meanwhile many women are taking an age-old alternative route to power through motherhood, and there are also economic reasons for the present population explosion. Jobs done by women are generally ill-paid and boring, and the Government, in an attempt to paper over the undoubtedly unemployment problem, has recently offered an extension in paid maternity leave from one year to three. There is some doubt among more cynical women that this promise will be kept, but clearly a large number have jumped at the opportunity to get out of their dreary jobs.

Of course, it would be patronizing and futile to suggest that Solidarity ought to have found more effective ways of channelling women's discontent, even though it would be good to see the people of Poland represented equally in the decision-making heart of the country's most important and vital organization. For, though desperately short of most things, Poland is rich in the enthusiasm, intelligence and political passion of its people. It is doubly sad then that this vital resource is being wasted.

Dr Tony Smith
Medical Correspondent

THE ARTS

Television

A rich harvest

The first of planned cycle of "Tory stories", he tells us in *Radio Times*, centring on crises of English Conservatism and false revolutionary dawns since the end of the Second World War, Trevor Griffiths's *Country* (BBC 1) took place in a wealthy brewer's mansion during the General Election of 1945 while the stables were occupied by an ominous brood of common folk. The black sheep (James Fox) returned, was persuaded to take over the firm and turned the tide of revolution indefinitely with the invention of recarbonated beer: what Bill Hayden in *Tricker*, *Editor*... actually were to call the economic suppression of the masses had begun.

Country was also offered, according to its author, as a critique of the *Country House* Play — a fake genre Mr Griffiths claims, since it proposes that the aristocratic rich are the same as the rest of us, only richer, whereas any good Marxist knows that money has transformed them into an alien species, a race apart. Evelyn Waugh would have warmly agreed, so *Country* could have been alluding to *Brideshead*. To what, then? *Dear Octopus*, improbably close at times in character and situation (even if, unlike Cicely Courtneidge, Wendy Hillier displayed small interest in folding her dinner napkin into swans). There was a close and deliberate affinity with *The Cherry Orchard*, of which Griffiths and his director, Richard Eyre gave us a marvellously lucid version at

the same time a week ago, with Lopalkhia, naturally and with our strain to the masterpiece, becoming a figure of quiet humanity and conviction. But the relationship of *Country* to *Cherry* was ill-defined, and the technical demands of confronting the kind of events and confrontations that spread across three or four acts in the theatre into 60 minutes without a break give the playwright little time for anything else.

There were two other reasons why the result, although always promising to ignite and therefore never dull, fell between propaganda and pastiche. It failed to live down to the writer's reductive economic view of human nature. The family he created was not, after all, unlike most groups of repressed and repressive relatives gathering for a christening, a birthday and a dance — while Ann Scott's production and Mr Eyre's directing had the kind of elegance and style that becomes a pleasure, perhaps distracting, in itself. Mr Fox led a genuinely distinguished cast (Joan Greenwood, voice and mischievous unimpaired, Jill Bennett in carnivorous form, Penelope Wilton, calm and grave as the communist daughter returned for the kill) with a performance of almost disconcerting energy and charm that packed a hypnotic unpredictability suggesting quite a different sort of play.

Michael Ratcliffe

Dance

Kabuki

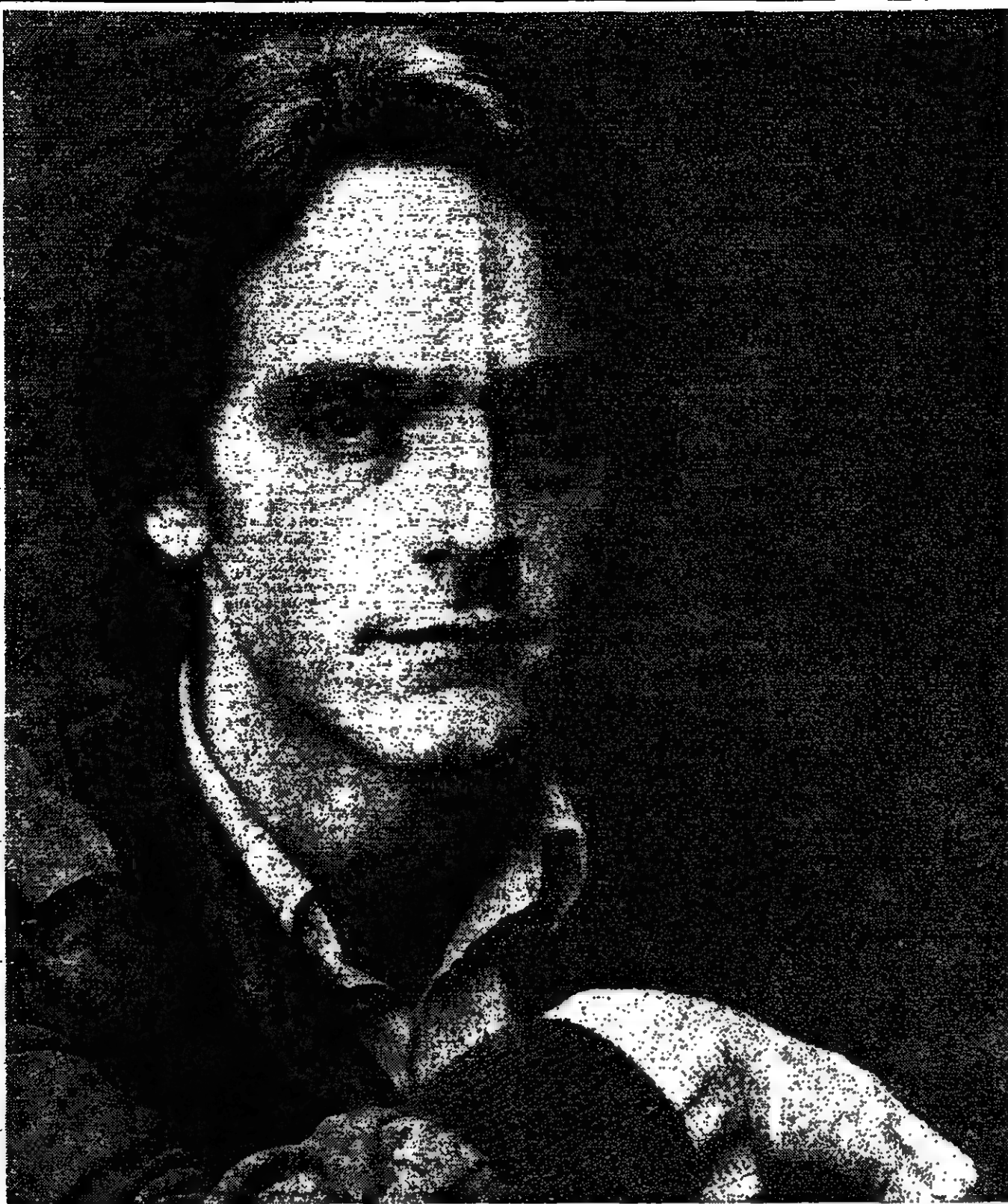
Sadler's Wells

The last time Kabuki was seen in London, in 1977, it was led by Ichikawa Ennosuke III and it was obvious that he was already a master. By combining a scholarly respect for the ancient traditions of the form with a theatrical command of the modern stage elements, from lighting to design, he has become the most important Kabuki actor in Japan and the items he has brought on his return to Sadler's Wells reaffirm and amplify his great skills.

He has not settled for the easiest of pieces, nor for those that might concentrate on a single pictorial element of the form into a short dose of colourful exotica for the London audience. The two items instead offer a range of challenges and subtleties and they are accessible through consummate acting skills, impeccable musical support and a particularly rich vision of the stage picture.

Renjishi is the opening piece, a Kabuki dance derived from the Noh theatre. Against the backdrop of 13 musicians, two actors tell how a father lion pushes his son into a ravine to teach him survival. The father's anxiety presents Ennosuke with an opportunity to project the most tender emotions throughout the theatre, but the piece assumes an extraordinary measure of spectacle when the spirits of the legendary lions take over, with a glorious change of costume and thrilling rhythmic dances. Ennosuke's partner in this is Ichikawa Danshiro IV, another greatly talented actor who becomes Ennosuke's antagonist in *Shunkan*, from the play by Chikamasa. With sword and mus narrative and exchanges of speech, it is nearer to the ordinary idea of Kabuki. But that idea can make little preparation for the last five minutes of Ennosuke's performance, an expression of emotions designed to haunt the spectator forever. It should be seen, at all costs.

Ned Chaillet



Jeremy's many irons in the fire

Pictured is Jeremy Irons, the star of the moment, as photographed recently by Lord Snowdon. Last night he appeared in the second part of Granada's 11-part adaptation of Evelyn Waugh's *Brideshead Revisited* in which Charles Ryder, the character he plays, spent an idyllic summer at Brideshead with Sebastian Flyte and Lord Marchmain. (Laurence Olivier).

Brideshead, at £4.5m the most

expensive television serial ever made, has so far proved a hit with the critics but Granada is waiting edgily for the end of the week when viewing figures will finally be released.

Meanwhile Irons is also starring in *The French Lieutenant's Woman*, a film by Karel Reisz, which has also been widely acclaimed by the critics. He is currently sifting offers for his next project but his only form plan at the moment is *Betrayal*, a

film version of Harold Pinter's play produced by Sam Spiegel, which will start filming in London in March next year. As in *Brideshead*, *Betrayal* will require the 33-year-old Irons to age.

Commenting on the reception accorded to *Brideshead*, Irons said: "It brought a great sense of relief and a great sense of excitement. I am proud of it and thrilled by the reception. It was delightful, like giving birth to a beautiful baby."

Sponsorship

Why business wants a seat in the circle

The growth phase of public funding of the arts has ground to a halt. The best hope now is that Government finance will at least mark time, though real cuts seem more likely and indeed are currently dreaded almost daily.

But the arts' hunger for cash is undiminished and steadily made more painful by the fact that their costs almost invariably suffer a more punitive rate of inflation than the rest of the economy. Against that background, commercial sponsorship is rapidly being buried, while companies are showing a remarkable willingness to invest in what IBM grudgingly calls a Cultural Sponsorship Programme.

The latest indications for this year suggest that companies will put £5m into the arts, against £5m last year, and £600,000 in 1976. It is still small compared with the Arts Council's £80m or the total Government arts budget of £180.7m but the key point is that it is growing rapidly and its application is becoming increasingly sophisticated.

Sophistication has also spread to the recipients of the cash. It is no longer disquieting for companies or audiences to discover that a performance of *King Lear* has been underwritten by profits from computers, that sherry consumption may be financing a piano recital or that smoking and opera are inextricably linked. The faint whiff of the grotesque which used to accompany commercial sponsorship or the arts has been dispelled.

The sense of grotesquerie arose from a particularly English puritanism which finds it difficult to reconcile

marketing and the sublime. The greatest statement of this difficulty was the National Theatre's disclosure that it had turned down £750,000 worth of sponsorship earlier this year because "it seems to us wrong to be in a position where we had to have private sponsorship to do the job we are paid to do by public money."

But financial pressures have rendered such fastidiousness outdated; meanwhile the Government has taken to sipping the pill of public spending cuts in this area by making encouraging noises about commercial sponsorship.

The fact that commercial money is available at all in the depths of recession is possibly surprising. But the characteristic sponsors — banks, insurance companies or retailers — are generally those least affected by cash flow crises while tobacco and drink companies are now sufficiently committed to the idea to prevent any sudden cancellations.

Most of the established sponsors now appear to be roughly improving their contributions in line with inflation, rather than taking new initiatives. The growth in the market is being generated

partly by new companies joining in and partly by the rapid expansion of the related fields in which money can be spent. Thus a sponsored concert can lead to a sponsored season which in turn can lead to a sponsored set of records.

A fully commercial entrepreneur, bringing together money and talent

With the exception of commercial patronage, in which companies like Guinness and Marks and Spencer give money as part of their perceived communal duty rather than for public relations, company money is spent to promote the company.

"We don't do this because we like the arts", commented one faintly weary executive. In the most typical case a big prestigious opera performance provides a prestigious corporate image for the company whose name is above the title.

Straightforward cheque-signing for the blockbusters of the performing arts remains the type of sponsorship of which most companies first

think. But vast parties of company guests pouring in late after the interval have regularly negated any good will as far as the audience is concerned. On the other side the arts companies have always felt that such random beneficence is unpredictable and therefore damaging to any long-term planning.

It is in these edgy areas in which people like Luke Rittner and Bill Kallaway have been working to improve communications and understanding. Rittner is director of the Association for Business Sponsorship of the Arts which is funded by its corporate members, while Kallaway is a fully commercial entrepreneur bringing together money and talent.

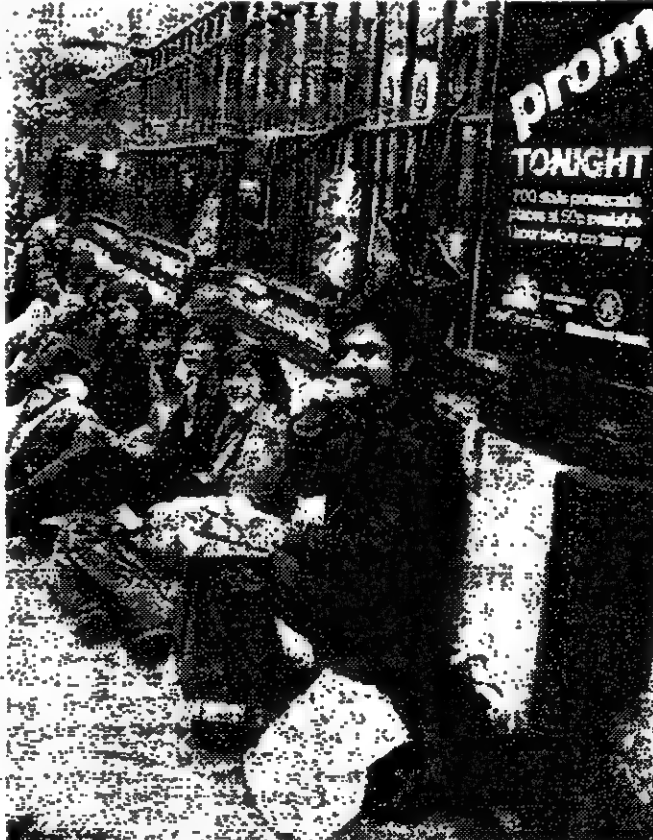
To the accusation that commercial money is spammodic Rittner's response is that all money is spammodic. Knowing whether a sponsor is available may well be as impossible as knowing whether tickets will be sold. Meanwhile corporate insensitivity is gradually being overcome by increasing maturity in a field which is still less than a decade old in this country.

"Of course in an ideal world," he said, "Patronage would be a better system. But sponsorship means we can put up an arguable case for a company as to why it should back the local theatre or whatever."

From the arts side Rittner is also observing and encouraging a less apathetic attitude towards sponsorship by the organizations. Public subsidy has made many of them narrow minded about sources of finance but gradually, with the appointment of full time employees searching for sponsors, they are waking up to the potential and accepting the extent to which the sponsors can justifiably specify precisely the performance with which they wish to be associated.

The danger is, of course, that the whole sponsorship market may mature to the point where arts organizations simply become extremely elaborate advertising vehicles. Kallaway insists this is not happening.

"Companies want to be supportive rather than dominating," he said. "We have never had any person who



Young promenaders' queue outside the Royal Opera House before one of the special Proms performances sponsored each year by the Midland Bank.

wants to change artistic ambitions at all."

But what is happening — and mutterings throughout industry and the arts suggest this may be the dominant trend of the future — is that sponsorship is increasing in what Kallaway calls "objectivity".

By this he means that sponsors are linking product and sponsored performance more closely — he pointed to the Segovia International Guitar Competition backed by the Spanish sherry producers. But the real point is that recessionary pressures on cash are forcing companies to look more closely at what their sponsorship achieves. This mere corporate image-building is now falling out of favour and there is an unacknowledged drift of control of arts sponsorship from public relations to marketing departments.

"Companies want to be supportive rather than dominating," he said. "We have never had any person who

This will result in product rather than company-linked promotions and may prove slightly more distasteful to the recipients. But finally the fairly cautious way in which companies have entered the field means that sponsors are scarce so they retain the dominant position in the market equation: it is the artists who have to seek out the sponsors rather than the reverse. While that is the case attempts like last year's plan from Norman St John-Stevens to persuade the banks to form a £500m fund for the arts will continue to founder. Such a plan is seen as merely submerging the hard commercial edge of the deals and turning the companies into anonymous donors and, high-minded though that may seem, it is not the game they are currently playing.

Bryan Appleyard

Concerts

Models of composure

Pollini

Festival Hall

Fond as he is of mixing modern works with standard repertory, Maurizio Pollini can rarely come up with a programme as exciting and apt as that he gave on Monday night. He began with Beethoven, choosing two of the middle-period sonatas whose deep earnest boldness and impatience could then be turned in the many mirrors of Webern's variations, to yield, finally, the second sonata of the young Boulez. Or looked at another way, here were two titans held apart by an angel.

There was, though, more than a touch of quivering angelic radiance in both the Beethoven and the Boulez, a feeling of strife and vigour taken up into a wholly mental sphere. Sometimes the case of opposites held in perfect, tense unease, as in the slow movement of the "Tempest" sonata, with its parallel streams of stark funeral tolling and nervously supplied melody. Sometimes a very fast tempo, as in the first movement of the "Waldstein", yet gave an impression of complete physical stillness, just as a gas flame is the stable image of a racing flow of energy.

Perhaps, too, it was the tireless wrestling of the Boulez that contrived to make the Beethoven sonatas seem in retrospect models of composure. Again the fight took place in the mind, as is entirely proper. Boulez's insistence that the sonatas evolve their own inner logic by their dramatic coherence and by the sheer forcefulness of their argument.

The City of London Sinfonia under Richard Hickox did justice to this aspect in their performance of Studies numbers 2, 7, and 8.

Other Finzi pieces, the Eclogue Op. 10 for piano and strings, and the Clarinet Concerto were given in performances by David Perrett and Michael Collins respectively. With these players at 20 and 19 years of age it was very much an evening for outstanding young talent.

Paul Griffiths

City of London

Sinfonia/Hickox

Queen Elizabeth Hall

The virtues of conservatism might have been the theme for Monday night's City of London Sinfonia concert: an imaginative coupling of the music of Gerald Finzi and Nicholas Maw. The label should not be taken pejoratively; neither composer would claim, or have claimed, to be in the avant garde, but each has enriched his tradition with works of integrity and bearing a personal impact. Finzi is best remembered by *Dies Matutina*, a skillful and moving setting of poetry by Thomas Traherne portraying vision of innocence dear to Finzi's heart. The cantata is generally performed with a solo tenor; here the soloist was the soprano Anne Dawson, at only 22, the winner of several prizes and surely on the verge of an exciting career. The unusual beauty of her voice and enchanting stage personality seduced her audience, so much so that one does not at first notice the unvaried tone colour and dynamics. Nevertheless there is a deep music waiting to be brought out here.

Nicholas Maw's *Life Studies*, a series of eight pieces for 15 solo strings, was acclaimed at its appearance a few years ago as heralding a new development in the composer's style. Depending neither on conventional sonata structure nor a single tonal centre, the studies evolve their own inner logic by their dramatic coherence and by the sheer forcefulness of their argument.

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Barry Millington

Theatre

The Catch

Royal Court Theatre Upstairs

Nick Darke's short piece follows Paul Copley's *Tapster* as another exercise in studio theatre provincialism. For anyone coming fresh to this genre, its distinguishing features include uncompromisingly authentic local dialect, microscopic naturalism, and a preoccupation with the delayed impact of malnutrition on the remotest backwaters on the map. The usual message for any pastorially-inclined metropolitan spectator is that he is better off where he is than in some bright village or desolate rain-lashed headland.

The Catch takes place somewhere on the West Country coast in the ramshackle house of a middle-aged fisherman called Swiddle who has been driven into casual trading by the declining catches. The "bastards" who are never off his lips in the first scene seem to be French invaders of the 12 mile limit. And evidence of Swiddle's defeat is strewn around Chris Townsend's stage in the crates of bone china, second-hand books, gonks, and cheap electric fans.

Other casualties of the vanishing mackerel shoals are Swiddle's smoulderingly discontented younger daughter Thelma, and his unsatisfactory son-in-law Lesdwell — nominally a life boat cox who puts more time into handling hot goods and playing in pop music gigs than he does into safeguarding the coastline.

All three agree that they are living in a dead place. "I wake up in the morning," says Swiddle, "and put my blunkers on... I walk down the street and see the useless ornaments." But there are different degrees of capitulation to the bombardment of trash. Thelma holds on indignantly to what is left of the seafaring heritage, pouncing

indignantly on her father for trading the family's nautical instruments for a crate of china. Lesdwell has renounced the past entirely. Swiddle remains stranded between them, compromised but not yet fully corrupted, and the play's action puts him to the test. He is offered a consignment of cocaine, which he first agrees to hold as a middleman, and then destroys.

Am not sure what that proves, but it is the manner in which he does it that counts. He slices into the packet with an axe and then blows the contents into oblivion with one of the electric fans. Mr Darke, having assembled stage-full of junk, profitably enlists it in the story-telling.

He also introduces a sardonic little puppet play with the crate of gonks, and gives the frustrated trader a good china smashing scene.

The story is also strengthened by the presence of the unseen figure of Gogo — a newcomer who has livened up the town in more ways than one; and who supplies the structure for another well organized scene where the cocaine-dealing father and his pregnant daughter are both trying to make a secret phone call to the man who has landed both of them in a mess.

Otherwise, apart from the sheer thickness of its dialect, the play is needlessly opaque. Essential plot points are buried in superfluous detail, motives change for no clear reason, and there is a prevailing uncertainty of what the characters want. The play sits on the stage like a heavy weight which it is beyond the playwright's energy to raise and animate. I am in no position to dispute the authenticity of the performances of Mike Groves, Tom Watson, and Frances Low, but if it was the intention of Mr Darke and his director, Roger Mitchell, to bring this hidden bit of England into well-focused close-up, they have not succeeded.

Irving Wardle

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THE WORKERS HAVE IT

The sale of the National Freight Corporation is not the most important bit of Mr. Lawson's privatization package, but it is the most interesting, and the bit that can be welcomed with fewest misgivings. The corporation's employees, management and workers, are being given the opportunity to acquire a stake in this company, the major responsibility for it. The deal represents one form of structural remedy for a besetting weakness of British industry at large: a negative attitude among large sections of the workforce towards the prosperity of their enterprise.

The form of sale may have been less the result of idealism than of a manifesto commitment to sell off the Corporation which fell on stony ground when a share issue on the market came to be considered. The management buy-out became the convenient way out. But whether by accident or design a good deed has been done. And this is a particularly welcome experiment. Management buy-outs, common in the United States but slow to develop in Britain, have recently burgeoned in this country as large companies have wished to rid themselves of subsidiary activities and as conglomerates have collapsed. Anasofne and Hornby are two recent examples of the trend.

The National Freight Corporation is by far the largest example so far, involving £80m of bank money and up to £5m of capital from management and workers on current plans. It is the added attraction that it is providing a new route for a state corporation that builds

on the loyalty and commitment of its staff and gives those who have helped to build the company a chance to control its launch into the heavy seas of the free market. The encouragement of workers to take shares in the British Aerospace issue and the announced intention to give employees preference in the proposed bond issue for British Telecom is part of the same drift.

One should be careful of writing too idealistic a prescription for Britain's industrial woes. The situation at NFC is a particular one. The banks have undoubtedly taken an especially benign view partly in answer to the political pressure they now feel upon them over their lending practices to industry. There are distinctions to be drawn between hoping to motivate employees by encouraging them to take shares, as in the case of British Aerospace, selling largely to the management with some participation by the staff, as in the case of National Freight, and the fuller blooded cooperatives encouraged by Mr. Tony Benn at Meriden and Kirkby or the long-established democratically run partnership enterprises such as Scott Bader.

The National Freight plan is not a sale to employees as such. It is a purchase by the managers, who still have to stump up the cash, funded by the banks, which have agreed to take only a relatively small equity interest in the concern, and accompanied by an offer of shares to all employees. The 25,000 staff still have to make their own voices heard amidst conflicting union ad-

vice and have still to decide whether they, whose jobs are at risk, dare also risk their cash. Nor does it form a pattern which other nationalized groups can easily follow. National Freight holds a small share in a transport market dominated by highly competitive small outfits. The plan provides one hope for the future where the company can continue with a new lease of life freed from government involvement. It cannot be said that services like the Post Office or British Rail, where the scale and the uncertainty of profit discipline confuse loyalties, could easily travel this route. Selling off oil, the British National Oil Corporation, creating competition for gas sales, come into entirely separate categories of the denationalization argument.

The point of the National Freight plan applies equally to large companies which are breaking up or private enterprises which are collapsing. In so severe an economic climate as Britain's, enterprises desperately need the commitment of enthusiastic management and staff, whilst avoiding either the heavy-handed participation formulae of the Bullock Committee proposals or the tragedy of the co-operative such as Kirkby, where workers' enthusiasm came too late to overcome market disaster. Staff buy-outs are one avenue, given City help. They suggest a form of denationalization which should be at least considered for a whole range of state enterprises from pits or pit areas of the National Coal Board to particular subsidiaries of British Steel.

UNGODLY RULERS OF IRAN

Amnesty International announced last week that at least 3,350 people had been executed in Iran since the revolution of 1,800 of them since the dismissal of President Bani-Sadr on June 20 this year - and that it had asked the Iranian authorities to admit a delegation in the hope of persuading them to stop the executions, or at least to ensure that the accused received a fair trial. This announcement seems to have touched Ayatollah Khomeini on a surprisingly - one might say encouragingly - raw nerve. On Sunday he devoted several minutes of an address to members of Iran's Parent-Teacher Association to denouncing "these international organizations - Amnesty International - which have asked to visit Iran and see the executions", accusing them of being "affiliated to the diabolical powers" - aspir - ing to "crush this Islamic movement and, thus Islam" and so on.

The sad fact is that any report of less than a hundred executions on any given day in Iran scarcely ranks as news any longer. The terror in Iran has become the norm rather than the event. As such it makes fewer headlines and provokes fewer editorials. But it would be very unfortunate if anyone in Iran, whether in government or in opposition, or merely caught between the two, got the impression that public opinion in the West was indifferent to what is happen-

ing in Iran, now that the American hostages have been freed. Clearly the execution of Iranians by Iranians does not raise the same kind of international issues that the hostage-taking did. The last thing any Iranian should want would be further foreign intervention in Iran's internal affairs. It is not our job to overthrow the Khomeini regime, but equally we should be careful not to give the impression of actively condoning it or prolonging its life.

That is the impression which, rightly or wrongly, some Iranians have derived from the relative silence on the subject observed by Western governments and, to a lesser extent, news media, from the continued pursuit of commercial opportunities in Iran by European business men (apparently encouraged by their governments); and from opinions voiced in various influential Western quarters to the effect that (a) the present "Islamic" regime is preferable to communism, which would be the most likely alternative, and/or (b) the regime, even in its present form, will drift ever closer to the Soviet block if it is rebuffed by the West.

Such opinions are indeed held in influential quarters, including the United States State Department, whose officials (recognizing that any kind of friendly relations between America and Iran are impossible for the time being)

have been urging European governments to do what they can to make up for this. The dangers they refer to are real.

They were foreseen at the time of the hostage crisis by some Iranians, including those around President Bani-Sadr, who favoured a genuinely non-aligned position for Iran in world affairs. Some of them suspected, indeed, that the hostage crisis had been engineered precisely for the purpose of isolating Iran from Europe and other potential trading partners and forcing her into the Soviet embrace. There was a strong argument at that time for seeking to help such moderates by not cutting off all ties with Iran. But those moderates have now decisively lost the power struggle within the regime.

It can hardly be doubted that the majority of Iranians are by now thoroughly sick of clerical rule. The regime's policies have brought anarchy, terror, war and now growing economic deprivation as oil sales dwindle and foreign currency reserves have to be more and more stringently rationed. Many of those who most bitterly opposed the Shah concede that the Islamic dictatorship has now far surpassed the bestiality of his reign. The West earned the enmity of too many Iranians by being too closely associated with the Shah. We should leave to the East the odium of being associated with the "Iman".

Initiatives for disarmament

From the Secretary of the Methodist Conference

Sir, The tendency to don labels and to make black and white distinctions between what are seen to be opposing policies can sometimes obscure an important truth. The present polarization between those who espouse the cause of multilateral disarmament and those who plead for unilateral action is a case in point.

In the aftermath of the tragic death of President Anwar Sadat many have praised his courage in making the historic journey to Jerusalem which initiated the Middle East "peace process". I myself travelled to Cairo nearly three years ago to present the annual peace award of the World Methodist Council to President Sadat. But that award was made in recognition of a unilateral action which, notwithstanding all the efforts to achieve peace in the Middle East, opened up an era of new possibilities.

The lesson of this is plain: there is little likelihood of progress on the multilateral front without some willingness to undertake unilateral initiatives. The test of real statesmanship today is the readiness to contrive and then to take the unilateral steps that will deliver us from the political impotence that allows the monstrous and idiotic arms race to escalate. Amidst all the ballyhoo of party conferences and political argument wise men will listen to deliver us from the political impotence that allows the monstrous and idiotic arms race to escalate.

There is another consideration. If President Reagan and President Brezhnev undertook to appear together at next year's special Assembly of the United Nations to agree on disarmament proposals for the reversal of the appalling arms build-up in which their governments are engaged, it would be a bilateral action of immense potential. I have written to them to suggest it.

Yours sincerely,
KENNETH G. GREET,
The Methodist Church Conference Office,
Council Buildings,
Westminster, SW1,
October 15.

From Mr. Nicholas Walter

Sir, Clifford Longley's article (October 19) about the religious aspects of the campaign for nuclear disarmament is misleading. He distinguishes between the secular, CND/political way of discussing nuclear war, and the church/political way, and explains that the "secular" argument is a practical one based on self-interest and concerned with risk-taking to our own people, whereas the "religious" argument is a theological one based on morality and concerned with threatening destruction to other peoples.

In fact there are pragmatic and dogmatic, egoistic and altruistic, political and ethical arguments on both sides of the secular/religious divide. It is significant that the humanist individuals and organizations coming out in favour of nuclear disarmament, as most humanists do, do so for moral just as much as for practical reasons, concerned with the common fate of all peoples. The only difference between the motives and the motions which mark the two positions is, say, the Methodist Conference and the Society of Friends on one side and the British Humanist Association and the National Secular Society on the other is the secular/naturalistic assumptions behind the arguments, not the arguments themselves. On this issue, as on so many others, religious and non-religious people find themselves working together on the same issues, and for much the same reasons.

Yours, etc.,
NICHOLAS WALTER,
New Humanist,
88 Islington High Street, N1,
October 19.

Sir Roger Hollis

From Sir Martin Farnham Jones and Mr. C. A. C. Jenkins

Sir, Up to the time retired in the early 1950s there was no shared evidence that Sir Roger Hollis had been disloyal at any time or in any way, let alone evidence that he was a spy (reports October 16). Moreover, throughout his career his positive contribution to security was outstandingly valuable and his wartime record makes ludicrous any suggestion that he might have been sympathetic to the USSR.

We both worked closely with him for many years and were intimately concerned with the investigation of his background and his subsequent interrogation. We are wholly convinced of his innocence.

Yours faithfully,
E. M. PURNIVAL JONES,
C. A. C. JENKINS,
The Little House,
Oxley,
Barnet,
October 16.

Medical aid for Poland

From the Apostolic Delegate to Great Britain and others

Sir, The plight of Poland is still in the news. After the recent visit of one of the youngest (Jedrich Listowski) to the Gdansk District Hospital and the Gdansk Medical Academy Hospital which cater for a large area of northern Poland, the found the following heart-rending situation: neither of their two electrocardiograph apparatuses are in working order; there is an extreme shortage of surgical gloves; no disposable syringes or needles for single use; no wound dressings; faulty oxygen masks and no monitoring or anaesthetic

Government and BL pay dispute

From Mr. D. J. Buckle

Sir, There are some additional points to those set out in Mr. Armstrong's letter (October 17) about the current situation within BL Cars which I would like, with your permission, to add.

To those of us who have been involved with the company for many years, and particularly the past three, the decision to reject a 3.8 per cent offer and threaten a strike came as no surprise. Indeed, many of us have been warning management for several months that they were on a collision course if they continued with their policy of industrial and moral blackmail every time they wanted important changes.

They have never attempted to convince employees of the need to change, or to win their hearts and minds. It has always been "bend to our will or you will be sacked". For a time that works, but not for ever. The now famous letter, with its threat of total closure, was the last straw for many, because it took away their self-respect. There can be only one answer to blackmail.

It seems to most employees the company is not interested in framing a policy in which genuine negotiations can take place on a mutually acceptable basis. Even when replying to the recent pay claim they said their offer on basic rates was "non negotiable".

Early in Mr. Armstrong's letter he paid tribute to the efforts of employees and Sir Michael Edwards has also praised them for increasing productivity by 30 per cent and that eight men on new production facilities are doing what previously 80 did. After the strike, BL's labour force has been reduced by 40 per cent. Yet later in his letter he says "we cannot fund more" than 3.8 per cent.

WRP and Youth Training

From Miss Vanessa Redgrave

Sir, Contrary to statements made by Mr. David Alton, MP, in his letter and article respectively published in *The Times* on April 18 and July 8, 1981, the Workers' Revolutionary Party and Youth Training have in no way involved themselves in any activities in Toxteth, Brixton, nor in any other city.

My party is absolutely opposed to looting, making Molotov cocktails, smashing homes and shops, and the sabbing of policemen. Such violent acts have nothing to do with the struggle of trade unions nor the political fight for socialism. I have in my possession a letter written on behalf of the Central Committee of Derbyshire acknowledging the entirely non-violent nature of the Workers' Revolutionary Party.

My party and our youth, the Young Socialists, initiated the campaign for youth training. We share the view of the majority of people who really care about the jobless, unskilled youth. We all know that youth cannot live and develop on ideas. Youth can only develop when they can learn a skilled trade, can apply and develop their skill in work which benefits both them and the community. Youth Training is a non-profit making organization which has applied for charitable status and is non-political.

Far from "preying off the frustrations of our young people", Youth Training was established to reduce such frustration by providing in the area.

Threat to cricket tour

From Mr. John Carlisle, MP for Luton, West (Conservative)

Sir, The threat by Mrs. Gandhi to ban the forthcoming England v India series could spell the death knell to international cricket in its present format. Sir Launce, Pakistan and the West Indies are bound to follow the dictate as Third World countries, and the latter has already refused to tour New Zealand next year because of the recent Springbok rugby tour. As John Woodcock lucidly points out today (October 19) permutations of South African involvement are endless.

The losers will be the Indian public, the followers of the game and, thirsting after sight of Boycott, the Indian Cricket Board who would miss much needed revenue, and international goodwill who lose services of these sporting ambassadors.

Foreign art treasures

From Dr. Richard Pankhurst

Sir, One can appreciate that the British Museum is concerned about the UNESCO proposal that some of its treasures be returned to the Third World. The museum's spokesmen have been quick to claim (article, October 19) that "nothing in the museum was obtained illegally".

Though this may technically be correct, there is no gainsaying that in the case of the Magdala collection at least the museum representative, Richard Holmes, purchased articles which he knew to have been looted. On April 13, 1968, British troops, attacking Emperor Theodore of Ethiopia, sacked the fortress of Magdala. The objects thus acquired in-

cluded 350 Ethiopian manuscripts which, as a result of the museum's recent reorganization, now form part of the British Library.

Your article asserts that it "would call in the Act of Parliament" to force the museum "to part with any of its items". It is interesting to note that when Theodore's successor, Emperor Yohannes IV, wrote to Queen Victoria in 1872 to request the return of one of the looted manuscripts the Foreign Secretary gave the appeal his blessing, and the museum trustees expressed "great pleasure" in according to it.

Yours etc.,
RICHARD PANKHURST,
22 Lawn Road, NW3,
October 19.

From Mr. B. Yeats-Brown
Sir, Since the Government, like it or not, are deemed to be a third party to the BL dispute, why don't they resolve the dilemma by offering the BL workers the option of buying such numbers of the state's shares in BL at, say, 5p per share as might bridge the gap between the management offer (present economic truth) and the demand (legitimate hopes engendered by higher productivity)?

Yours faithfully,
B. YEATS-BROWN,
High Wigsall, Bodiam,
Rotherhithe, Sussex.

of greatest need an opportunity for youth to acquire skills which will assist them in gaining employment in modern industry. This is precisely why the first Youth Training centres were set up in Brixton, Liverpool and Glasgow.

Our aim in Youth Training is to provide the best professional training in mechanical engineering, electronics, dressmaking and other crafts, as well as drama, painting and music for jobless and/or unskilled youth, or youth who need to continue training, between the ages of 16 to 22. With the advice of trade unions and local employers we aim to issue proficiency certificates for the youth who pass appropriate tests.

We will work with everyone who wants to establish Youth Training centres. The hundreds of thousands of jobless, unskilled youth today desperately need a skill and a job before they can become interested in any political or theories or culture. Youth Training is non-political therefore, just as eating, drinking, breathing clean air and sleeping are non-political. These are necessities of life.

I believe that our centres in Brixton, Liverpool and Glasgow show in a modest way what can be done wherever there is the will to do it.

Yours faithfully,
VANESSA REDGRAVE,
Chairman of Youth Training,
Member of the Central Committee of the Workers' Revolutionary Party,
218 Old Town, SW4,
October 13.

Such polarization, however, will bring benefits. At least political hubbub and hypocrisy is exposed and at least we realize that the recently renewed Glenageary agreement is a worthless treaty, for now that double standards are part of the game, the attempt to play fair may as well be abandoned.

The International Cricket Council have now only one option: they should recommend South Africa to the international arena as their own fact-finding mission of 1978 recommended, and make the decision known to the governments of participating countries.

One speculates as to the reaction and whether genuine financial need and sporting intent will override a moral stance that will result in an isolation enjoyed at present by South Africa itself.

Yours faithfully,
JOHN CARLISLE,
House of Commons.

Yours etc.,
RICHARD PANKHURST,
22 Lawn Road, NW3,
October 19.

don, SW1, marked Polish Medical Aid. The most necessary equipment and medical supplies can then be obtained and transported to Poland free of charge.

Time is pressing and the tribulations of Poland have lasted too long.

Yours sincerely,
BRUNO B. HEIM,
DEREK WORLOCK,
GRAHAM LONDON,
W. M. S. WEST,
ANDREW B. DOIG,
EDWARD CARPENTER,
JUDITH LISTOWEL,
ELMA DANGERFIELD,
European-Atlantic Group,
6 Gertrude Street,
Chelsea, SW10.

Board inspections of prisons

From the Chairman of the Board of Visitors, Winslow Green Prison, Birmingham

Sir, With reference to the letter (October 17) from Messrs Cogan and Pooley, of PROP, the facts are that every week of the year at least two members of the Board of Visitors do visit the prison. Members of my board do demand from any member of the staff from the Governor downwards that all parts of the prison and all prison records are open to them.

We do not announce the time of our visits and these may take place at any time of the day and at night.

An annual report is given to the press, radio and television quite independently of the Home Office and is freely commented upon.

Yours faithfully,
G. L. THORPE,
H.M. Prison,
Winslow Green, Birmingham,
October 17.

From Mr. Louis Blom-Cooper, QC
Sir, Messrs Cogan and Pooley (October 17) are surely right in asserting that boards of visitors, which by statute supervise our penal institutions, have not hitherto made a very good showing, whether in indicating petty violence in prisons or when confronted with major incidents like the death of Barry Prosser in Winslow Green Prison, Birmingham.

Boards have the power to speak publicly and to publish the annual reports they are obliged to submit to the Secretary of State. Members of boards of visitors are obliged to visit regularly, on a rota system, every part of the prison, and are entitled to visit the prison at any other time, unannounced. They can interview any prisoner out of the sight and hearing of prison officers, and they have a statutory duty to satisfy themselves as to the administration of the prison and the treatment of prisoners. These powers are extensive. Yet a prison governor told last month's Howard League Summer School at Bristol that in his experience boards of visitors let the prison service off far too lightly by declining to exercise their powers to the full.

Many of the major recommendations in the report of the Jellicoe committee (an unofficial committee jointly sponsored by the Howard League, Justice and Nacro (National Association for the Care and Resettlement of Offenders)) have not been implemented, notably separating the boards' disciplinary functions from that of public watchdog, advertising the opportunity for public service, and, not least, changing the confusing name of "boards of visitors". The recent establishment of a voluntary association of members of boards of visitors (Ambovi), wholly independent of the Home Office, has been a most welcome development in penal affairs. Boards of visitors could become important bodies, providing the prison system with an independent element so vital to ensure adequate safeguards against misconduct in, and mismanagement of, our prisons.

Yours, etc.,
LOUIS BLOM-COOPER,
Chairman, Howard League for Penal Reform,
Goldsmith Building,
Temple, EC4,
October 20.

Open churches

From Mr. Noel Brandon-Jones

Sir, A gallant exception to the sad tale of locked churches has been the small medieval church of St. Clement in Norwich. Declared "redundant" by the diocesan authorities but, unlike most other such churches, happily not plundered of its furnishings, St. Clement's has fine the last three years been kept open 24 hours a day, as a place for prayer and contemplation, through the devotion of the Reverend Jack Burton, a Methodist minister who earns his living as a bus driver and has cheerfully taken upon himself the burden of raising the rental and insurance cost of nearly £1000 a year required by the Norwich Historic Churches Trust, set up to take responsibility for the redundant churches of Norwich.

Incredibly, the trust is now threatening, in order to secure a higher rental from a commercial firm, to terminate what one would have thought to be the most perfect use possible for a church that has become redundant only in terms of parochial organisation.

Yours faithfully,
NOEL BRANDON-JONES,
Redwater House,
Barton Turf,
Norwich,
October 16.

Bridling at Brideshead

From Mr. Allan Todd

Sir, Like Mr. d'Antal (October 15) I was a sergeant-major in 1941 and I confess to my shame that I failed to notice the anomalies he spotted in *Brideshead Revisited*.

I was also a contemporary of Charles Ryder and Lord Sebastian Flyte at Oxford. I must say I don't remember seeing my fellow undergraduates in ordinary day attire wearing stiff collars, and while they wore gowns to lectures, etc., they did not wear mortar boards. I didn't see Lord Sebastian or anybody else carrying round a teddy bear in public, but perhaps this practice was confined to the precincts of the House.

Yours truly,
ALLAN TODD,
Setlands,
St George's Lees,
Sandwich,
Kent,
October 15.



COURT AND SOCIAL

COURT CIRCULAR

BUCKINGHAM PALACE

October 20: His Excellency Señor Andrés Restrepo-Londoño was received in audience today by The Princess Anne, Mrs Mark Phillips, and The Princess Margaret, Countess of Snowdon, Counsellors of State acting on behalf of the Queen, and presented the Letters of Recall of his predecessor as his own Letters of Credence as Ambassador Extraordinary and Plenipotentiary from the Republic of Colombia to the Court of St James's.

His Excellency was accompanied by the following members of the Embassy, who had the honour of being presented to Their Royal Highnesses: Señora Ninón Millán (Minister Plenipotentiary), Dr Jorge Gaviria (Minister Counsellor), Dr Gilberto Ramirez (Commercial Counsellor), Lieutenant-Commander Arturo Viquez (Naval Attaché), Rafael Ortega-Samper (First Secretary), Dr Rafael Correa-Lara (First Secretary), Señora Alejandra Borda (Second Secretary), and Dr Nestor Osorio (Second Secretary).

Señora de Restrepo had the honour of being received by The Princess Anne, Mrs Mark Phillips, and The Princess Margaret, Countesses of State acting on behalf of the Queen, and took leave upon His Excellency relinquishing his Ambassador Extraordinary and Plenipotentiary from the Republic of Colombia to the Court of St James's.

Madame Kyi Maung had the honour of being received by The Princess Anne, Mrs Mark Phillips, this afternoon visited the Sixth National Spicing Gymkhana in the Royal Riding School, Buckingham Palace.

KENSINGTON PALACE

October 20: The Duke of Gloucester, Duke of Kent, and Earl of Kent, accompanied by The Princess Anne, Mrs Mark Phillips, and The Princess Margaret, Countesses of State, developed by Hanover Housing Association, and Tenter Court, developed by South Eastern Dis-

FORTHCOMING

Marriages
Mr D. B. Beck and Miss E. E. Macchling. The engagement is announced between David, son of the late Professor the Hon. Alastair Beck and Mrs Mary Beck, and Miss E. E. Macchling, daughter of Professor and Mrs Charles Macchling, of London.

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Mr J. R. Dolphin and Miss L. J. Croker. The engagement is announced between Jeremy, only son of Mr and Mrs R. Dolphin, of 57 Hatherston Road, Canook, and Lindsay, only daughter of Mr and Mrs L. J. Croker, of Southdown, Cranborne, Dorset.

Mr N. H. Haxell and Miss J. C. Fendall. The engagement is announced between Nicholas, son of Mr and Mrs Peter Haxell, of Rooklands, Ashington, Sussex, and Jane, daughter of Colonel and Mrs Paul Fendall, of Manor Farm House, Lacock, Wiltshire.

Mr M. D. F. Portillo and Miss E. E. Eadie. The engagement is announced between Michael, son of Dr and Mrs M. D. F. Portillo, of Stanmore, Middlesex, and Elizabeth, daughter of Mr and Mrs A. G. Eadie, also of Stanmore, Middlesex.

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Mr M. L. E. Quin and Mrs J. E. McIntosh. The marriage took place on October 17, 1981, at All Saints Parish Church, Peterborough, New Hampshire, United States, between Mr Maxwell Lewis Quin, eldest son of the late Rev George Quin, and Mrs J. E. McIntosh, daughter of the late Mr and Mrs James McIntosh, of New Bedford, Massachusetts.

Mr G. L. Wery, Jr and Mrs E. E. Faulkner. The marriage took place on October 16, 1981, at the Lincoln, Connecticut, United States, between Mr Glenn Louis Wery, Jr, and Mrs E. E. Faulkner (nee Ralston). The couple will reside at 79 Cliffmore Road, West Hartford, Connecticut 06117 United States or 30 York Avenue, Prince of Wales Drive, London, SW11.

Marriages
Mr L. T. Messel and Miss P. J. Barrett. The marriage took place on October 7 in the Guards Chapel, Wellington Barracks, between Mr Thomas Messel, son of the late Colonel and Mrs Philip Messel, of Lower Roundhill Farm, Sussex, and Miss Penelope Barrett, younger daughter of the late Mr Timothy Barrett, of Hazel Mount, Milton, Cambridgeshire. The Rev John Westmuckett officiated.

The bride, who was given in marriage by her uncle, Major William Barrett, was attended by Mary Clare Lewthwaite, Alice Cory Reid, Lady Frances Armstrong-Jones and Janet Barrett. Mr Taria Leslie King was best man.

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By Clifford Langley, Religious Affairs Correspondent

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Ecumenical debate

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Sri Lanka

A Special Report to mark the state visit by the Queen and the Duke of Edinburgh which begins today

Sri Lanka's brave new era is almost four years old. The daring and ambitious changes made under the leadership of President Jayewardene have revolutionized the economy and made profound changes in the political structure and the outlook and expectations of the people. The price, however, is high. The new road may be exciting, but it is also rocky and risky.

The President himself makes no bones about the economic difficulties. He sees no point in softening them for mere political reasons. He believes most of the 14.8 million people of the country are realistic enough to face the truth, hard though it is. Those who are not, he thinks, have to come to terms with the painful aspects of policies designed to build a better society. He sees no benefit in offering people a flimsy umbrella in the gale.

The course he has charted is irrevocable. In the pre-Jayewardene years, a largely nationalized, protectionist and administered economy had grown stagnant. The United National Party Government elected in July 1977 changed everything with a bold sweep. Backed by the International Monetary Fund, the country embraced a policy of growth in free-market economy.

There was an astonishing surge of activity, of spending, buying and developing, as the country burst from the economic hatches under which it had lived for nearly 30 years.

Developments are on the grand scale. Housing has been mushrooming and the harnessing of the Mahaweli River, one of the world's great hydraulic projects, which will irrigate dry land and provide cheap electric power, has been telescoped from a 30-year programme to an eight-year one. The establishment of the new economic order has been characterized by a sense of urgency and vigour.

But it has also been marked by its sheer scale, its ambition and the element of risk, which makes it vulnerable. Sri Lanka has been badly hit by world economic forces, the price of oil most of all. The cost of living is making people increasingly anxious. Inflation has been soaring to 40 per cent and the balance of payments is seriously awry;



Buddhist monks line the road during the Colombo Perahera, a religious festival.

the Government almost lost control of public expenditure in the past year. The IMF and the Government had a run-away on their hands. Today the reins are being tightened, but perhaps not hard enough.

The President is being warned by advisers of something he knows well, that the cost of living is a crucial electoral consideration in a country with a large proportion of poor people. But while he is retaining the food stamps which aid the half of the population which earns less than £8.50 a month, he will not return to a system of general subsidies. He believes there is no alternative to the new policies, that voters will respect his realism and honesty when he tells them there is no quick panacea... but that in the end the policies will work.

The people, he says, can change the Government and the President. He says this not in any arrogant or take-it-or-leave-it fashion, but in an earnest way, a reminder that whatever else, Sri Lanka is a political nation. The people are keenly aware of issues, strongly attached to the democratic idea. They are among the best-educated and most literate of Third World communities and this year celebrate 50 years of full adult franchise, something they achieved only three years after the British. They are well-practised in voting governments out.

During its years of reconstruction in opposition, the United National Party and Mr Jayewardene planned a new political framework as well as economic revolution. Swept to office with 140 of the 168 parliamentary seats the UNP reformed the Constitution to introduce proportional representation and an executive president. The UNP view was that the country needed the continuity of governments living out a full term, or two, and of an executive president serving for six years. Government and presidency are separate and the president cannot veto legislation. Emergency powers, like public finances, are subject to parliamentary control.

The creation of an executive presidency, with constitutional checks to prevent abuse of power, has attractions in a young developing country like Sri Lanka. The quality of the institution, of course, lies in the ability of the incumbent and therein, perhaps, is a future weakness. For the time being, however, Sri Lanka has an able leader. President Jayewardene is the most experienced politician in the land, skilled in balancing the inadequacies, strengths and aspirations of social and political interests. He saw to it that the UNP gave up the lower castes and the traditionally disadvantaged a place nearer the sun. He is above all a pragmatist.

On a personal level his integrity is unquestioned and respect for him is enormous. His reputation abroad was established with his passionate speech at the Japanese peace treaty conference 30 years ago. He has been a leader of the non-aligned movement, and non-alignment, he says, is the best safety policy a country can have. All being well, the President will stand at the 1984 presidential election, when he will be 77. Thanks partly to proportional representation, the UNP should be returned in the 1983 general election. The opposition is fragmented and, quarrelling, and Mrs Bandaranaike, whose name still carries some force, is politically sterilized under an order stripping her of civic rights for six years for abusing power when she was Prime Minister. Of course, rising prices and discontent could upset the expectations of President and Government.

There is not much criticism of the Government in the press. Newspapers are largely Government-controlled and, under emergency rule, are censored. The press is not one of Sri Lanka's strengths, and there is a need for an improvement in the status and quality of journalism, in keeping with the democratic ideal. There are some independent papers, but the best reporting of Sri Lanka is done

by journalists working for foreign publications who are not censored. The emergency rule imposed this summer sprang from one of the Government's spikiest problems, the relationship between the Tamil minority and Sinhala majority. From time to time communal resentments have erupted into riot and bloodshed and this year there have been serious outbreaks of arson, rioting and savagery. The relationship between the communities is still a tender sore and will not be easy for the President to heal. The President hopes that the 24 newly elected district councils will act as a balm as well as a devolutionary extension of democracy.

Though many of Sri Lanka's people are poor they are better off in terms of nutrition, health, education and life expectancy than many other developing nations. The country is becoming self-sufficient in food. The Jayewardene years have been a dynamic, creative and forward-looking period — and the promise is exciting. But the economic storm clouds and the rumble of communal tensions pose their threats. In the evening of his long life the President faces perhaps the greatest of his challenges. The next few years are critical.

Trevor Fishlock

Simon Scott Plummer looks at British involvement in the island over 200 years

From 1763 to today

The British made their first formal contact with Sri Lanka in 1763, when an embassy was sent from Madras to the King of Kandy. They were back, more forcefully, in the 1780s, when they briefly occupied the fort at Trincomalee during the American War of Independence, and towards the end of the century, when they seized the Dutch forts on the island during the French Revolutionary Wars.

In 1798 responsibility for these new possessions was transferred from the East India Company to the Crown. British dominion was confined to the coast, however, and it took another 17 years to extend it to the entire island. This came with the capture in 1815 of Rajah Sinha, the last of the Sinhalese dynasty, who was deported to India.

The nineteenth century saw the development of a full colonial system in Sri Lanka. Indian labour was brought in to work the large plantations from 1850 onwards and two new crops, tea and rubber, were introduced.

Various nationalist organizations came into being on the island during the second half of the century and in 1919 most of them united in the Ceylon National Congress. Twelve years later, with the establishment of the State Council, the British handed over responsibility for domestic affairs. Members of the Council were elected by universal adult suffrage.

From 1942-45 the headquarters of the Allied Command in South-east Asia were on the island. Colombo was attacked by Japanese bombers in 1942.

The British had promised Sri Lanka independence at the end of the war and in 1948, after long negotiations, it became an independent country within the Commonwealth. D. S. Senanayake was its first Prime Minister. The Queen and the Duke of Edinburgh made their first state visit to Sri Lanka in 1954, when their present host, Junius Jayewardene, was Leader of the House of Representatives and Minister of Agriculture and Food in the United National Party (UNP) Government of Dudley Senanayake, the first Prime Minister's son.

Since then the country has swung between periods of rule by the Sri Lanka Freedom Party (SLFP), under father and daughter Bandaranaike (1956-65 and 1970-77), and by the UNP (1965-70 and 1977 onwards). The policies of the first have been characterized by nationalism and socialism, while the second has favoured opening the island to foreign investment and encouraging the private sector. In 1972, under Mrs Bandaranaike, the country was declared a republic and changed its name from Ceylon to Sri Lanka.

Another change since 1954 is the emergence of the Tamil problem, which exploded into communal violence earlier this year and led to the declaration of a state of emergency.

Supporters of a separate state for Tamils demonstrated outside the Commonwealth Institute in July when the Queen opened an exhibition of Sri Lankan culture. The exhibition was part of the year-long celebrations to mark 50 years of universal suffrage in Sri Lanka.

During the current visit the royal couple will go to the site of the Victoria Dam in the centre of the island, east of Kandy. This is one of three dams to be built on the Mahaweli River which will provide hydro-electric power and irrigation for agriculture. The Mahaweli project is considered to be the key to development in Sri Lanka and the British Overseas Development Administration (ODA) has made its largest ever single allocation of aid to the Victoria Dam.

The grant will amount to about £100m between fiscal 1980-81 and 1984-85, when the dam is scheduled for completion. Sir Alexander Gibb and Partners are the designers and consulting engineers and the main contractors are Balfour Beatty/Nurmali (dam and tunnel, about £65m), Whessoe/Boving (hydraulic equipment, about £16m) and Costain (power station, about £7m).

The project is running behind schedule for several reasons: delays in building the township for the workers; a rock fall in the tunnel which will take the water to the power station three and three

quarter miles downstream; a slight fault in the rock beneath the dam; and a freak rainstorm recently which pushed the river over the top of the protective dams.

In Colombo the Queen will open a new British Council building, evidence of the increasingly important role played by the Council as the Sri Lankan Government seeks to arrest the decline in standards of English.

Under the Key English Language Teaching Scheme, funded by the ODA and run by the Council, teachers are being sent out to each of the six teacher-training colleges in Sri Lanka where English is taught. They will be assisted by Voluntary Service Overseas (VSO) teachers. In addition, the Council will run courses in English language teaching at its new headquarters in Colombo.

In higher education, it has been instrumental in arranging for the engineering faculty at Leeds University to help the University of Moratuwa in developing courses in applied science and has done the same in applied statistics with Reading University and the University of Colombo.

Finally, the Council is acting as an agent for the World Bank in a scheme to train young Sri Lankans in building skills such as carpentry and bricklaying. The scheme, which will run for three years initially, will help to alleviate the severe shortage of skilled labour on the island.

Trade between Britain and Sri Lanka rose dramatically during the first years of the Jayewardene Government as the country stepped up imports of capital and consumer goods. However, belt-tightening is now the order of the day and officials in London think it will be some years before there is another significant improvement in trade prospects.

In 1980 Britain exported nearly £77m worth of goods, mainly machinery and transport equipment, and was the third largest supplier, after Japan and Saudi Arabia. With imports worth nearly £54m, mainly tea, coffee, spices, fruit, vegetables, rubber and coconut, it was Sri Lanka's second largest customer, after the United States.

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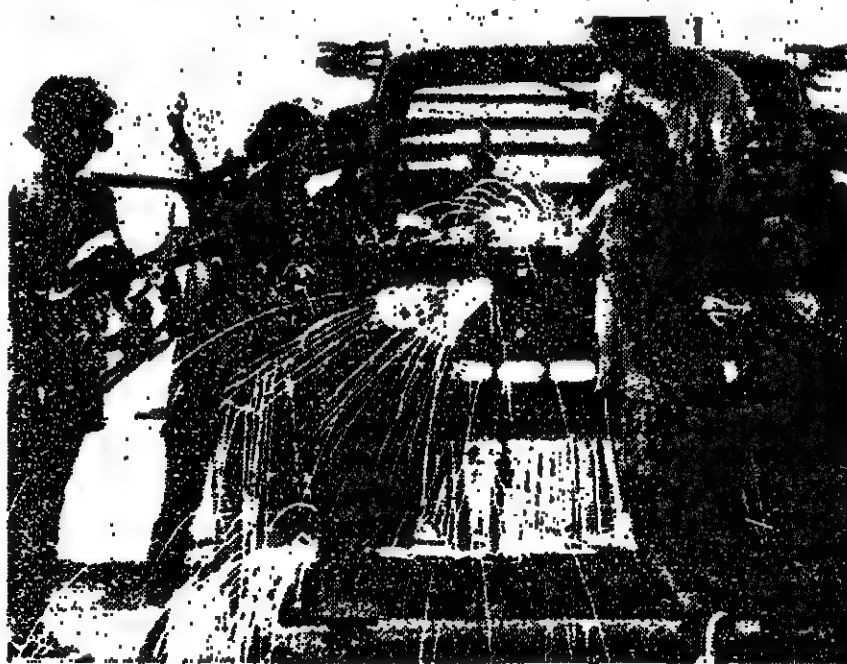
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SRI LANKA

Two institutions are set up to attract funds

The crucial drive for more foreign investment

A crucial element in the policy reforms introduced in 1977 was the attempt to lure foreign investment as part of the new Government's export development strategy.

The strategy had two basic themes: attracting export-oriented private overseas investment and making non-traditional exports more attractive than import substitution. To implement the new policies, an institutional framework was set up and an impressive array of incentives and facilities offered to all would-be foreign investors.

As a result, there are at present two institutions charged with attracting export-oriented foreign investment: the Greater Colombo Economic Commission (GCEC) and the Foreign Investment Advisory Committee (FIAC).

The GCEC, one of the Government's lead projects, was created by special statute and is the authority governing the 518 sq km Free Trade Zone just north of Colombo, the capital of Sri Lanka. Here the export obligation is 100 per cent. But 100 per cent foreign ownership is allowed. Investments are exempt from all taxes on corporate and expatriate personal income, royalties and dividends for a 'maximum' period of seven years, which can go up to 10 years in special cases. Thereafter there is a concessionary period of four to 15 years during which the investment is liable only to a turnover tax of 2 per cent to 5 per cent.

This is in addition to the normal facilities offered in export processing zones. Because they are classified as offshore enterprises, they also have access to the offshore banking facilities, provided in eight major currencies by most domestic and foreign banks. Their exposure to exchange risks is thus minimal.

Outside the jurisdiction of the GCEC, it is the FIAC which processes all applications for foreign investments. Here all such investments must be in the form of joint ventures, with at least 51 per cent of the equity participation reserved for Sri Lankan investors. This can rise to 75 per cent for investments where there is no significant transfer of technology. Approved firms have no export obligations and no special export incentives are offered.

Firms involved in the Mahaweli Development Project or in the building of luxury tourist hotels need not comply with the joint venture provisions which are mandatory for all other FIAC investments.

Both GCEC and FIAC investments are covered by a web of tax treaties. The more recent of these agreements, as well as recent revision of existing agreements, have tax sparing clauses. The treaties cover all the major capital exporting countries of the world. Sri Lanka has also concluded bilateral investment protection agreements with France, West Germany, Singapore, Britain and the United States and similar agreements are currently being negotiated with other capital exporting countries. There is provision in the Constitution to make these agreements inviolate, but this provision has so far not been invoked by the Government.

For more than a decade, too, Sri Lanka has been a signatory to the 1965 Convention of Settlement of Investment Disputes between states and the nationals of states.

Although in less than four years, the economic environment has been transformed in this way, the response from private foreign investment has been much below expectations. The investment profile also leaves much to be desired.

At the end of 1980 the GCEC had approved 137 projects, but of these, 32 had fallen by the wayside and only 23, with a total investment value of 326m rupees, had actually gone into commercial production. Foreign investment in these projects is 73 per cent of the total investment and the average amount of foreign investment is a mere \$0.8m per project. Of these firms, 36 were in the garment sector and accounted for 94 per cent of the total GCEC exports for 1980. The investments attracted in this phase have a high import content and for this reason the retained foreign exchange ratios to Sri Lanka are more than 10 per cent of export FOB values in the long run. There is some contribution to employment — 11,000 as at the end of 1980 — but since this is confined to restricted, specialised or basic tailoring labour, the contribution to technological capability is small.

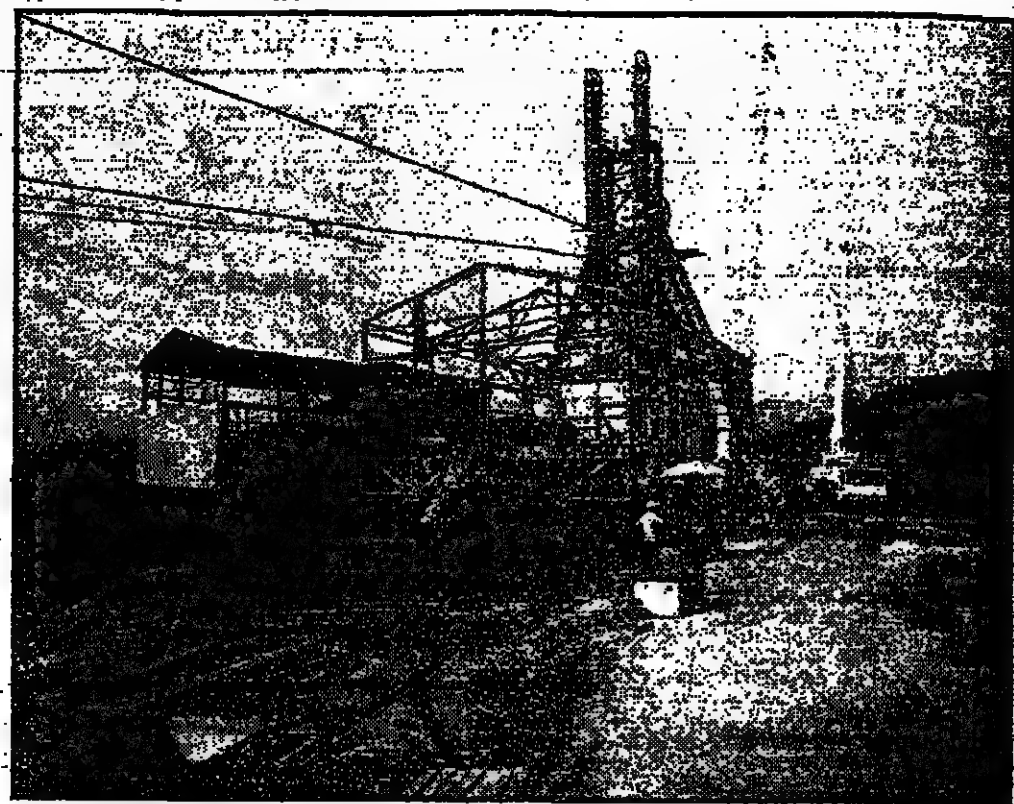
In the same period, FIAC investments totalled 358, of which 116 firms were in operation as at the end of 1980. They were mainly in garments, tourist hotels, construction and some manufacturing.

Here too, garments are important, as foot-loose manufacturers hampered by quota restrictions elsewhere seek a toe-hold on the emerging market place in Sri Lanka. The quotas have since become over-subscribed and are shared on a fifty-fifty basis between GCEC firms and Sri Lanka firms. It is possible then to conclude, that some of the growth in garments exports would have occurred anyway and without GCEC incentives. Construction and tourist hotels are the sectors in which FIAC approved foreign firms are investing are similar to those in which GCEC firms are investing. The foreign partners are also from the same clutch of countries. For those and other reasons the World Bank, in its latest appraisal of the economy (May 1981), concludes that the GCEC "has not been excessively discriminatory about the investments it approved" and "that potential investors ready to contribute much more to the economy have held back to watch the initial experience of the more adventurous". It also adds that "Sri Lanka has undoubtedly paid a price for this less discriminatory attitude."

There are two success stories, however. In the wake of a tourist boom of unprecedented proportions there has been an impressive flow of private foreign capital into tourist hotels. New luxury hotels are coming up, including the Sheraton, and a brace of other 500-room five-star luxury hotels with foreign participation from the United States, West Germany, India and West Asia. They also appear to be getting off the ground with remarkably little fuss and bother.

The other success story is in banking and finance. Thirteen new foreign banks have set up full service branches in Colombo since banking laws were liberalized in January 1978. This brings the total number of banks on the island to 24, 20 of which are branches of international banking chains. The newcomers include the Bank of America, the American Express Bank, Citibank, two Dutch banks, the European-Asian Bank and four banks from the Arab world. The 24 commercial banks operate "off-shore accounts" but Colombo is still a long way from becoming an international financial centre on the lines of Singapore or Bahrain.

Of the two new money broking firms set up since January 1978, one is in collaboration with money broking firms from Bombay and Calcutta. Another innovation is a leasing company, set



The Victoria Dam, a British-funded aid project near Kandy.

up as an affiliate of Orient Leasing Co of Japan, with the Washington-based IFC also participating in its equity.

Foreign investors can no longer complain that the banking and financial infrastructure lacks the kind of sophistication essential for business confidence. This cannot be said of the physical infrastructure, such as road and rail links, water, telecommunications or the monsoon-based hydro-power supply. In the medium term, prospects for attracting more purposive foreign investment are moderated by a number of factors.

There is some apprehension that the terrorist wing of the Tamil United Liberation Front will gain the upper hand and imperil the Jayewardene Government's experi-

ment in open market economy. President Jayewardene himself does not take this threat seriously, but foreign investors are by nature, a timid lot. Potential investors are also concerned about the strength of the dormant labour movement and some provisions of existing labour legislation. Sri Lanka has had a long liberal and democratic tradition, so there is not much that any government can do here.

Macroeconomic constraints are of a more ominous nature. Inflation is still running at unacceptable levels. This is not conducive to a healthy business climate. The Treasury's budgetary surplus is low and is exacerbated by the fact that all new growth areas

benefit from tax concessions. This induces an element of fragility to the tax and other incentives accorded to foreign investors. It can only be remedied by a complete overhaul of the tax system. But the finance ministry has neither the muscle nor the appetite for such a radical departure.

The large question mark looming over the horizon is the outcome of the general and presidential elections due in 1983 and 1984. Given the legendary volatility of the Sri Lankan electorate, foreign investors can hardly be blamed if they choose to adopt a policy of "wait and see" — for the present.

Roland Edirisinghe

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The making of President Jayewardene

A man who knows the jungle

Junius Richard Jayewardene was born on September 17, 1906, the eldest of 11 children, into one of Ceylon's great Sinhalese lawyer families. The family enjoyed a certain affluence, a love of culture and politics, and sunny privilege under benign colonial rule. It was also a nationalist family. J.R., as he became known, seemed predestined to do well and to emerge a leader.

He was named after one of his five uncles. There is a picture of them standing with Jayewardene's father, and bearing the fine names of Junius Quintus, Justus Sextus, Theodore Godfred, A.St.V., and Hector.

The young J.R., called Dick as a boy, learnt English and the piano, and read Dickens and Shakespeare, under the eye of his Scottish governess, Miss Munro. He played cricket and rugby, and boxed, at Royal College, Colombo, and followed his father, who became a judge, into the law.

His father was a Christian and a regular churchgoer. His mother was a Buddhist and there was no rancour in a tolerant home when Dick

adopted her faith at the age of 17. Buddhism has been a central influence in his life. It no doubt has a part in the serenity for which he is noted.

At 10 he adopted his father's habit and began to read *The Times*. He recalls that the first news that lodged in his mind was Lord Kitchener's death at sea in 1916. He followed the war, Lloyd George's career and the development of postwar politics. "It was part of my political education. I've been a reader for 65 years."

He was called to the Bar and practised for 10 years, but his interest, increasingly, was politics. He was an admirer of Gandhi and, naturally enough for a radically-minded young man, was drawn to Ceylon's independence movement. He visited the Mahatma and Nehru during the war. He became a Colombo Councillor in 1941, a State Councillor a year later and was Ceylon's first Finance Minister after independence in 1948.

He has had a long career on the international stage. He was a co-author of the Colombo Plan of 1951, which gave economic aid to South

and South-east Asia, and has been a frequent inhabitant of Commonwealth and non-aligned conferences.

He still takes pride in his speech of reconciliation at the Japan Peace Treaty Conference. His theme was the Buddhist message "hatred ceases not by hatred but by love".

He founded a special relationship with the Japanese. When they asked him recently what they could do for Sri Lanka he suggested a hospital. They said the largest they had built abroad was a 1,000-bed one. He asked them to build him a 1,001-bedder.

Because of the pendulum nature of Sri Lankan politics he had periods of defeat and unpopularity between the mid-1950s and the 1970s, of being Opposition leader, of being in a party in ruins.

He became leader of the United National Party in 1973 and Prime Minister four years later. He was the principal force in broadening the party's base, bringing lower castes into the arena, and in changing the Westminster model of democracy to a presidential one.

His ideal is to make Sri Lanka a *dharma* society, a term that might best be rendered as just. As an historian he likes to use as his guide the career and example of King Elara the just, who ruled in the Second Century BC.

"We called ourselves for a while a Socialist Democracy. Now we are styled a Democratic Socialist Republic. There is a difference. We retain socialism but democracy comes first because it is more important than socialism. As I see it, you have to be pragmatic. That is why there is press censorship under the temporary emergency, in a racially tense situation I did not want to run the risk of inflammatory statements getting into the press."

His devotion to Buddhism is complete, but he has taken care to slap down clergymen who have tried to extend their influence across the divide between religion and politics.

His love of history leads him to take an enthusiastic interest in the restoration of ancient buildings. And his desire to see the Mahaweli River schemes completed lies not only in a politician's, and leader's, wish for achievement, but also in an his-

torian's wish to see a bridge between modern Sri Lanka and its ancient hydraulic civilization.

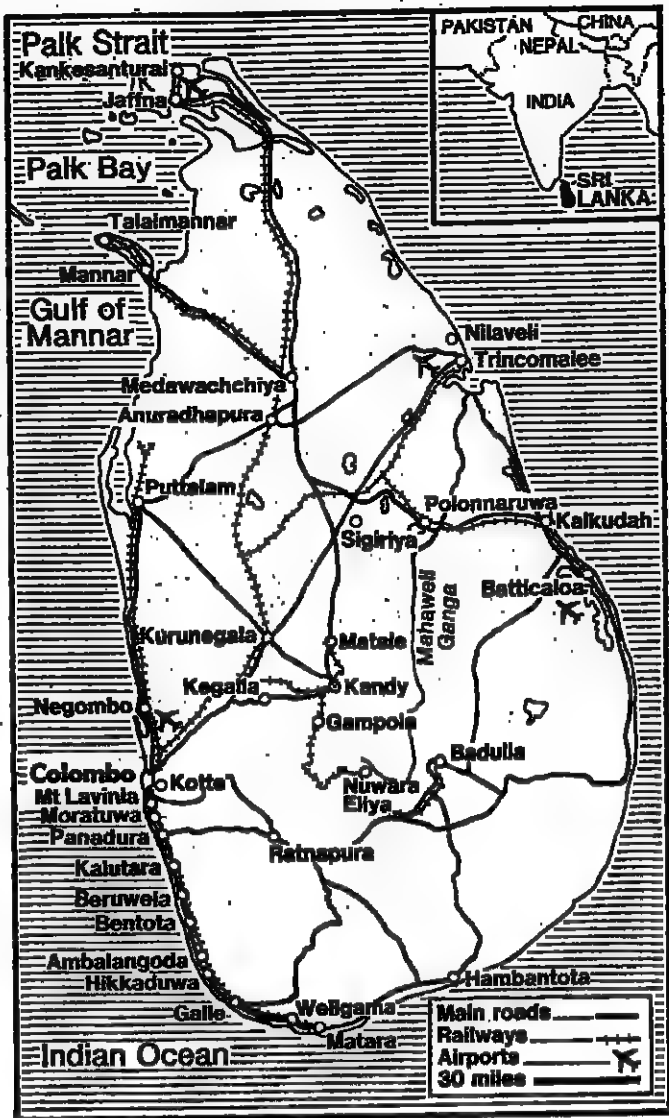
In the same way he looks forward to greeting the Queen as the last of a long line of monarchs of Ceylon, stretching back 2,500 years. "When we were a dominion she was our Queen. Now we are a republic we honour her for her place in our history."

President Jayewardene looks forward to standing in the 1984 Presidential election. He feels fit. He rises early, exercises, and sets store by his rest after lunch. He used to smoke a cigarette a day, but gave it up, and sips an occasional wine or brandy.

He is a calm-mannered man of keen humour, plainly not someone who lives on his nerves. He is unpretentious and speaks softly in unembroidered sentences. His quiet demeanour, however, does not disguise his air of authority, his toughness and political shrewdness. He is a man who knows the jungle.

He will be 77 when he offers himself for a second six-year term. "It is not a question of age but of health. You have to look after yourself. You have to be like a well-bred racehorse, always ready to run."

Trevor Fishlock



Tourists' eden: a happy accident

The island gem with almost everything

Arab seafarers called it Serendib. And from that, Horace Walpole coined the magical word *serendipity*, meaning "the faculty of making happy and unexpected discoveries by accident".

Today's traveller will find Sri Lanka an attractive and surprising kind of Eden. Surprising because of the variety which is packed into this tropical island — magnificent palm-fringed beaches, wildlife, exotic flowers, high country, rivers and waterfalls, and fascinating historic sites where one can see the remains of a great civilization. The ruins of monasteries, cities and canals, as well as numerous inscriptions, show that from about the third century BC to the sixteenth century AD, Sri Lanka took its place among the most advanced nations of the pre-modern world.

This cultural heritage is an important part of one's experience in Sri Lanka, so it would be wrong to regard a holiday there as simply an excuse to enjoy the beach to the exclusion of anything else. It is an island to be explored. But it is important not to take on too much. A tour which would give opportunities for lazing, taking trips back in time to ancient cities, and perhaps a visit to a tea estate in the high country would be ideal.

Because Sri Lanka experiences two monsoons, the beaches on the west and south coasts are at their best between October and March, and those on the east from March to October. The temperatures soar into the eighties at the coastal resorts. Favourites on the west and south coasts are Negombo, Mount Lavinia, Beruwela, Bentota and Hikkaduwa. Galle is famous for its old Dutch fort.

For the more energetic there is water skiing, sailing, surfing, scuba diving and deep sea fishing. Mount Lavinia is only about eight miles from the capital, Colombo, and is a favourite excursion, especially for Sunday lunch. The colonial-style Mount Lavinia hotel is on the beach, and one can get a fine view of Colombo from its terrace.

Bentota is Sri Lanka's first self-contained holiday resort, with hotels, shops, a bank and a small railway station. The Bentota Beach hotel, one of the largest in Sri Lanka,

charges from about £17 per night for a double room. The coral gardens at Hikkaduwa are one of the main attractions for the underwater enthusiast. Shoals of multi-coloured tropical fish swim among the white coral grooves. Glass-bottomed boats are available for those who prefer to view from above the water.

Trincomalee, Nilaveli and Kalkudah, on the less developed east coast, also offer sandy beaches, a warm, calm sea, and opportunities for the underwater enthusiast. The harbour at Trincomalee is one of the largest in the world, and the town was an important British naval base during the Second World War. "Trinco" remained a Navy town for years afterwards.

Sri Lanka abounds in wildlife, with more than 350 different kinds of mammals, and more than 400 varieties of birds. Kumana and Wirawala are just two of Sri Lanka's bird sanctuaries, inhabited by stilts, barbets, flycatchers, ibis, pelicans, peacocks, parrots, devil birds, hawks, jungle fowl and stork. The island has three botanical gardens. Peradeniya, near Kandy, contains more than 4,000 species, as well as a splendid orchid house.

There is a number of national parks. The two major ones are at Wilpattu, 110 miles north of Colombo, and Ruhuna (also known as Yala), 190 miles south. Here one can see elephants, bears, sambar, buffalo, herds of deer, wild boar and monkeys. There are crocodiles in the lakes, and one also has a good chance of seeing leopards. Another sanctuary renowned for its elephant population is at Inginiyagala, 195 miles east of Colombo.

The elephant bath on a bend in the river Mahaweli near Kandy is a tourist attraction. Some elephants are brought for a refreshing bath by their mahouts. But beware — the mahouts can be very persistent in their demands for payment!

Tea is Sri Lanka's most important export, and the tea plantations in the lush hill country are interesting places to visit. Acres and acres of tea, with its rich green foliage, extend across the hills and reach almost to the mist-shrouded mountain tops. Narrow roads wind through gorges, streams bubble over rocks, and one sees waterfalls called Devon, St Clair and

Aberdeen by nostalgic British tea planters. Tea thrives in the mild climate, and the flavour of the leaves varies with the altitude and soil.

Nuwara Eliya, reached by the spectacular Ramboda Pass, began as a colonial hill station, and has English-style houses, a war memorial and a fine 18-hole golf course. Very close to Nuwara Eliya is Sri Lanka's highest and most isolated plateau, Horton Plains. Buddhists, Hindus and Muslims have for centuries made pilgrimages to Adam's Peak, the Sacred Mountain which is near the town of Hattotuwa.

Buddhist culture has flourished in Sri Lanka since the third century BC, and the island has a large number of outstanding monuments. The triangular area formed by the ancient cities of Anuradhapura, Sigiriya, Polonnaruwa and Kandy is known as the cultural triangle of Sri Lanka. Unfortunately, some of the most important monuments are decaying and are in danger of being lost. Last year, the Sri Lanka Government, with assistance from UNESCO, embarked on an ambitious programme of preservation and restoration. The programme includes six projects to be completed within five years.

Anuradhapura, the most important of the ancient cities, was the capital of Sri Lanka in about 380 BC. The city was a model of planning. The water supply came from artificial reservoirs, remains of which exist to this day. It was in the reign of King Devanampiya Tissa (250-210 BC) that Buddhism came to Sri Lanka, and Anuradhapura rose to great importance.

Polonnaruwa was the island's medieval capital, and reached its dazzling zenith in the twelfth century AD. Though ravaged by later invasions, much evidence of its old grandeur remains.

Kandy was a capital in the fourteenth century, and contains one of the most photographed buildings in the world, the Temple of the Tooth. The sacred relic, a tooth of Buddha, was smuggled into Sri Lanka during the fourth century AD. Every August, Sri Lanka's most important festival, Perahera, takes place in Kandy. The relic is honoured in a great feast of sight and sound, custom and ritual.

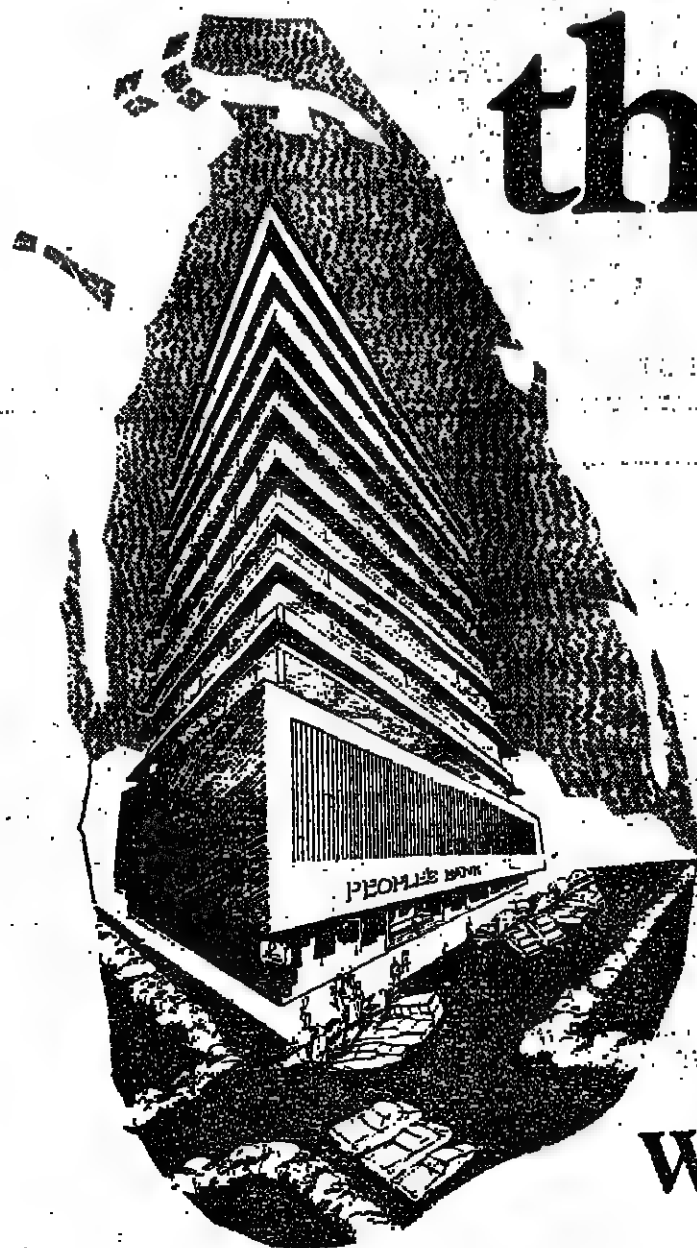
Penny Symon



President Jayewardene: "always ready to run"

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Trevor Fishlock explains the sense of anti-climax about the economy

After the celebrating, the
hangover sets in

Nothing disguises the anxiety felt in Sri Lanka today about the state of the economy. "We will have to work hard and manage harder to get out of this one," a banker in Colombo said. "We are up a gum tree at the moment."

There is disappointment because the country's economic revolution started so dramatically after the arrival of the Jayewardene Government in 1977. It more than met the hopes of the Government and of the IMF, which provided generous cushioning. There was euphoria as the economy expanded. Sri Lanka seemed like a man gulping down air, having been close to suffocating.

Before the United National Party took power, Sri Lanka had a doctrinaire welfare economy. Under Mrs. Sirimavo Bandaranaike the left, whose fragments she drew together, had been in power more than 12 years. The people's living standards were improved and the problem of rapid population growth was addressed. But once certain goals were achieved such policies had nowhere to go.

The absence of a creative approach left Sri Lanka essentially bankrupt. Unemployment was 24 per cent, the private sector was neglected and growth stagnant.

Imports were artificially restricted and overseas investment discouraged. Talk of nationalization of tea plantations, and finally nationalization itself, led to a decline in planting and a fall in production of the island's most important crop. Rubber and coconut growing suffered in the same way.

The Jayewardene Govern-

ment went pell-mell for growth. Restrictive import and exchange controls were lifted and overseas investment encouraged. A free trade zone was cleared near the international airport, offering foreign companies generous tax concessions.

Resources were directed from consumption to investment, the rupee was floated and a loan of \$325m was arranged by the IMF. Universal food rationing and subsidy was stopped, although the Government continues to issue food stamps to aid half the population earning less than 300 rupees a month. (35 rupees equals £1.)

An ambitious development programme was started: a new Parliament, a promised 100,000 houses and the acceleration of the Mahaweli projects. The Mahaweli is the great river of Sri Lanka, its Ganges or Nile. The early civilization of the island depended on remarkable waterworks and canals based on the river. Today new dams and tunnels are being built to advance the historic tradition.

Gigantic in scale, the project will provide the hydro-electricity the country badly needs. Power consumption is rising by 20 per cent a year and cuts are up to five hours a day. The scheme will also irrigate, and thereby populate, a great underdeveloped region.

Thirty years was the original timetable for Mahaweli. The Government is going all out to have it done by the mid-eighties.

It is the symbol of Sri Lanka's high-stakes strategy, a strategy and experiment with implications for many

Third World countries and for the IMF.

But Mahaweli is also a large part of the country's expenditure hurdle—a hurdle which Mr. Ronnie de Mel, the Finance Minister, reckons will not be crossed until 1984.

One difficulty was that the economic ground was not properly cleared. A large public sector was retained, making economic management difficult, and the tax structure was unsuitable for the revolution. There are only 91,000 taxpayers and half of those are marginal.

The performance of industrial public corporations, and of manufacturing, has been disappointing. And Sri Lanka has been heavily hit by external economic forces outside its control. Rising import and oil prices pushed inflation to an admitted 30 per cent last year (unofficially, 40 per cent), lax control of Government expenditure led to heavy bank borrowing in 1980, and there was essentially a virtual loss of control.

Expenditure went a third over budget and the deficit was 70 per cent higher than estimated.

Building costs have soared, forcing the abandoning of much private building. As a small example, a bag of cement which cost eight rupees in 1975 now costs 80 rupees. The cost of one of the Mahaweli dams is now more than six times what was estimated four years ago.

In response to its backers' demands, Sri Lanka is pressing the brake hard. There is a credit squeeze; there are no new projects; and public works programmes are being cut. But the cuts are also



Private enterprise: a man traps fish in a canal near Negombo

being fought by Ministers anxious to keep pledges and unable to recognize the seriousness of their country's predicament.

Mr. de Mel cut the budget by 25 per cent this year, then by a further 10 per cent in some areas. It is not enough, and the 1982 budget will aim

for further reductions.

Inflation, now at 25 per cent, remains serious and pressure on the balance of payments will stay strong. The prices of many basic commodities are high. There is no doubt that Sri Lanka's economy will have to be managed more toughly.

On the bright side, the Mahaweli project is on target, the backers are still backing, there is some possibility of oil being found offshore. The Finance Minister even permits himself to talk of the dawning of "a golden age" after 1985. For the time being, though, Sri Lanka is gritting its teeth.

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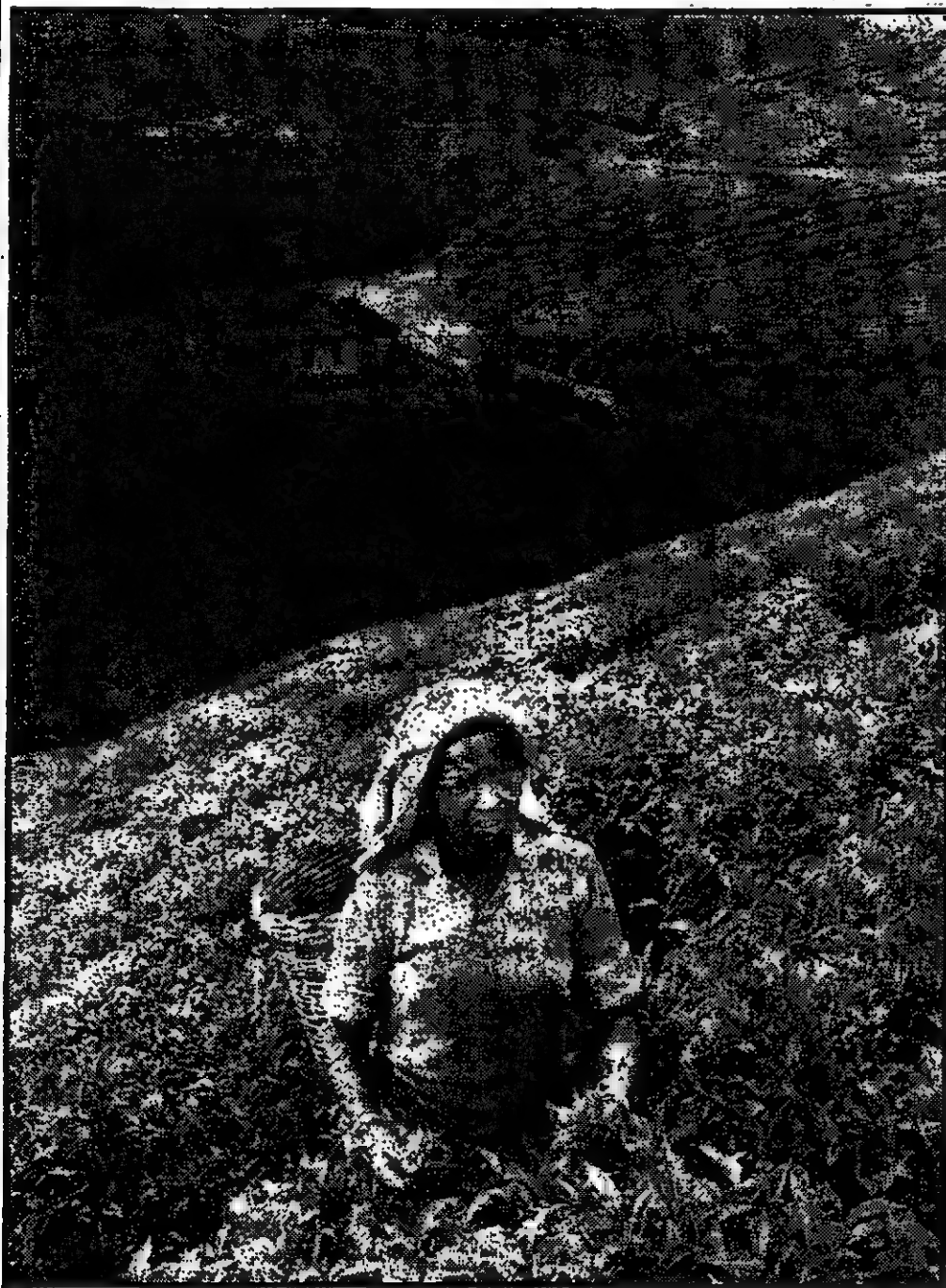
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Small takings: a tea picker at work in Nuwara Eliya

£64 million Victoria Dam and Tunnel-Sri Lanka

The Victoria Scheme is a major element of the Mahaweli River Basin Development and is situated on the upper waters of the Mahaweli-Ganga in the mountainous region of south-central Sri Lanka.

Balfour Beatty Construction and Edmund Nuttall in joint venture were awarded the contract to construct the Victoria Dam and Tunnel, together with associated works.

When completed this project will nearly double the hydro-electric power generation

capacity of the country as well as vastly increasing the area of irrigated land.

A tunnel 6km long will conduct water from a gated intake at the reservoir to the power station further downstream.

The contract also includes the design and construction of a permanent township adjacent to the site.



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The illustration shows the position
of the dam when completed.

The tangled roots of communal conflict

The minority who might yet break away

by a Special Correspondent

The violent events in Sri Lanka between May and August this year appalled and frightened many of the island's people.

Once again the complex and sensitive nature of the relationship between the Sinhalese majority and the Tamil minority was exposed in brutal fashion.

In several parts of the island there was rioting, arson and smashing of homes and shops. More than a dozen people were killed, victims of the latest in a series of communal spasms which have gripped the island in the past 25 years.

Although communal tension is seen as a phenomenon offering a periodic threat to social harmony, no one in the Government and no long-term observer of Sri Lanka's affairs appears to believe that the friction contains the ingredients for chaos of the most serious kind.

Rather, there is a belief that wounds can be healed, that the admitted mistakes of the past can be rectified. Whether this view is complacent, or is a confident one based on a realistic assessment and a refusal to be rattled, it is hard, and too early, to say.

Sinhalese and Tamils have coexisted in Ceylon for many hundreds of years. On the whole they have remained separate communities, except along parts of the coast. Inter-marriage has been rare and they have retained their different life styles, most notably their mutually incomprehensible languages.

It is believed that the Sinhalese began arriving about 2,500 years ago from Northern India. They are a Buddhist people, having embraced the faith in the third century BC, and Sri Lanka is a place of special sanctity for them.

The Tamils, Hindus from South India, are believed to have arrived in waves from the second century BC to the ninth century AD. Although the peoples fought from time to time, and developed differing ideas of each other, their conflict lies not in ancient history but in more recent events.

According to the 1981 census, of Sri Lanka's 14,850,000 people, 10,980,000 are Sinhalese and 1,870,000 are original Tamils, known as Ceylon Tamils. There are another 825,000 Tamils, known as Indian Tamils, who were brought over in the last century to work on the plantations.

The British ruled Ceylon as a single community and under this rule the Tamils advanced. Nineteenth-century missionaries and educators who settled in the north, where Tamils predominated, found them avid pupils.

They were diligent, persistent, thrifty, good at business, virtues which have a place in Sinhalese prejudice. Education and English enabled them to market their brainpower. Tamils made good doctors, engineers and lawyers and went abroad to work. Their qualifications also enabled them to corner a disproportionate share of jobs in the colonial bureaucracy, and their ascendancy in this sector bred more resentment.



Troops during the recent state of emergency

Independence changed everything. A reordering of society began and the effects of it are being felt still.

The Sinhalese, more than seven-tenths of the population, sought to express their new identity through language and an assertion of Sinhalese nationalism. Their Ceylon was essentially a Sinhalese and Buddhist one. "Religion, language, nation" was a sentiment easily harnessed by politicians, but Tamils and Christians felt threatened.

In the 1950s, especially, Sri Lanka watered seeds of future trouble. The reordering of society seemed a proper and egalitarian concept and, of course, changes were inevitable and right. But there was political mismanagement. Prejudice was freely tapped. There was a need for people at the top with vision and a feel for reconciliation, but there were not enough of them.

Teaching through the medium of English was stopped and children began learning through Sinhala and Tamil. University and public service entry was officially manipulated to provide more places for Sinhalese. The citizenship of certain Tamils was made a matter of question. People of Dutch and Portuguese descent left the island to escape the new education system. Tamils reflected bitterly that the downgrading of English

damaged their economic chances. The first rioting to disturb Ceylon's enviable peace took place in 1956, when Sinhala was made the sole official language.

Periodic eruptions since then made urgent the need for reconciliation. Under the Jayewardene Government Tamil has been made a national language (although in practice it has been used in courts and Parliament without difficulty). University and civil service entry has been adjusted to make "positive discrimination" less of a provocation. The Government hopes that the new development councils, which permit a large measure of district autonomy, will help to defuse tensions.

But in the Tamil's northern stronghold feelings are still strong after recent violence. Officers in the predominantly Sinhalese police went on the rampage and a few Sinhalese politicians made matters worse with disgracefully hooded speeches. The President has sacked one of them from the United National Party.

Not surprisingly there has grown a more strident call for a separate Tamil state in Sri Lanka. It is an indication of Tamil feelings of insecurity and is being pushed by the Tamil United Liberation Front (TULF), the Opposition party. But the Government, the Sinhalese people and not a few Tamils believe

partition to be a preposterous notion.

The Sinhalese are furious at the publicity gained by Tamil activists abroad and believe that expatriate emotion is causing trouble rather than smoothing it.

The Tamil plantation workers, who have inevitably been victims in the strife, are not enthusiastic about *celom*. Where would they work in a separate state? In any case their position is complicated and uncertain. More than 250,000 Tamils have been repatriated to India under an agreement. Others await either repatriation or the granting of Sri Lankan citizenship.

Meanwhile the relationship between majority and minority is made more tangled by rivalry between northern Tamils and the lower castes among the Sinhalese, who are being given a larger share of the economic and political cake. There is too the terrorism that has been unleashed.

At the time of writing, the state of emergency which quietened Sri Lanka after the latest troubles is being lifted and the Government is having "peace talks" with the Tamil Party. The communal problem in Sri Lanka is not at all simple. Its shades and contradictions, let alone its dangers, make it a singular test of the conciliatory powers of the leadership.

Education and the jobs market

A case of making too many square pegs

"If you advertise for a bank clerk in this country you will get 10,000 replies. If you advertise for a gardener you will get four, and three of them will be useless."

The bank executive who told me this was describing the paradoxes of the job market in Sri Lanka and how the education system, *vis à vis* the economy, is rather like the relationship between a square pin plug and a round hole socket.

Yet in many eyes Sri Lanka has an enviable education structure. Tuition is free and, for the past two years, so have been books. The country has 9,700 schools in its 25,000 square miles, a school population of 3.2 million (of a population of 14.85 million), a pupil-teacher ratio of 22 to one, and a literacy rate of 90 per cent in younger age groups, 83 per cent overall.

Sri Lanka has had a strong education tradition ever since the mission schools started in the early nineteenth century. The British colonial service bred generations of educated, Colombo-oriented people. Education led many people to well-paid jobs overseas as teachers, doctors and engineers.

The community has always attached great importance to white collar jobs in the Government service. Today Sri Lanka does itself a disservice by turning out far more would-be administrators and office workers than there are desks. Unemployment among the well-educated is high. The civil service has become swollen, and the

underworked and educated are inclined to insist on perpetuation of the system.

However, as the educated people scramble for jobs the country is desperately short of skilled men.

There are not enough managers, support staff, foremen and team leaders. There is a dearth of engineers, mechanics, welders, machinists, carpenters, plumbers and typists.

The matter is made worse because many with skill go off to make their money in the Middle East. Those who remain in the country can command high salaries.

The Government responded to the flood of public service job applicants by raising entry standards. The schools then put more emphasis on examinations. A Government review of education says that the aspects of education which contribute to the development of character have been eroded by the "crippling influence of exams".

Attempts to introduce education based more on the community's requirements failed. Half the people work on the land. But parents tended to reject craft and technical education and the office in Colombo remained a magnet.

One effect of this is that many parents and children perceive education to be of value only to the relative high fliers. About half of the school population drops out before reaching GCE level.

Reforms now in the pipeline aim to provide more of the technical education the

country needs. It is hoped that the reforms will succeed as more people become aware of education's part in broad economic development.

Another important reform on the way is a new emphasis on the teaching of English. In the education revolution of the mid 1950s, the national languages, Sinhala and Tamil, replaced English as mediums of instruction. English became a subject. The change was intended to promote identity and indigenous culture, to throw off a foreign yoke and to make schooling more egalitarian by removing the privileges enjoyed by the English education.

The results, some say, have been disastrous. The standard of English has fallen considerably. The President himself admits that, as far as English is concerned, "it was a revolution that went too far".

Schools are failing to give any children the sort of English they need for their chosen careers. Young people arrive at university unable to read vital source books which are available only in English. They have to rely on lecture notes. It is one reason why universities have failed to become communities of excellence.

Children from poorer homes suffer because better-off parents can afford private English lessons and give their children an edge on the jobs market. There is a rapid growth of tutoring establishments where children cram English in their spare time.

Best of all, in the view of some parents, are the private schools where English is given a more important place in the curriculum. One school principal teaches English in periods ostensibly set aside for music.

The number, and standard, of English language teachers has fallen considerably. The country ought to have 1,200 teachers of English, but has only half that number. The dilution of teaching makes standards even worse.

The plan now is to arrest decline by concentrating teaching of English in selected schools spread across the country. In a country with such a large agricultural base, and which is experiencing an economic revolution, there is clearly a need for a rationalisation of education. The system has been over-academic for too long. But the demand for a certain quality of education remains strong, and the private sector is being allowed to expand to meet a need the Government cannot afford.

There is also an important political dimension. The Tamil minority feels discriminated against in university entry, although Government manipulation has now been made fairer. Tamils, who found advancement through English-medium education, still feel robbed by the relegation of English to a subject. "If the Government gave us back English teaching it would hear no more wild talk of partition", a teacher said.

TF

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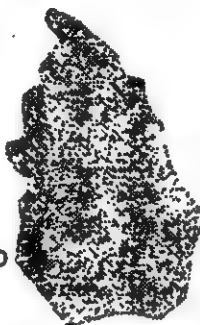
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Worries over the trade figures, page 23

Opening up the EEC insurance market, page 23

Volkswagen finance chief 'about to resign'

From Peter Norman, Brussels, Oct 20

Changes appear likely among the top management of Volkswagen, the troubled West German car maker.

Over the past few days, rumours have intensified that Professor Friedrich Thomee, the group's finance chief since 1965 and second in command in the managerial hierarchy, could be about to resign. Herr Thomee is on holiday until the end of the month and unavailable for comment.

A Volkswagen spokesman was unable to confirm or deny the reports today but sources inside the company said the speculation was not entirely wide of the mark.

Volkswagen is currently going through a difficult period. It recorded a loss in the second quarter of this year and first half profit after tax slumped to a mere DM15m from DM216m in the same period of 1980.

Professor Thomee, who is 61, has been criticised because of the losses incurred by Triumph-Adler, the typewriter and computer concern taken over by Volkswagen in the late 1970s.

This first big effort at diversification out of the car industry is thought to have cost the company some DM1,000m so far.

When Volkswagen announced plans to shut one of Triumph-Adler's factories in Frankfurt two months ago, a wave of protest forced the board, headed at the time by Professor Thomee, into a humiliating climbdown.



Herr Schmücker, recovering from heart attack.

Professor Thomee has been carrying an extra burden as acting chief executive over the past few months while Herr Toni Schmücker, Volkswagen's managing board chairman, has been recovering from a heart attack. Herr Schmücker is still not fully fit for work.

He has been going into his office for three or four days a week to see if he can sign the take the strain of the chief executive's position.

Volkswagen has been experiencing difficulties with other subsidiaries besides Triumph-Adler. In Brazil its once-flourishing subsidiary has suffered a 50 per cent drop in sales so far this year as the government's rigorous austerity programme has pushed interest rates to unprecedented heights.

In the United States, profit margins have been squeezed as Volkswagen has been forced to match the generous discounts offered by American and Japanese manufacturers.

Trade surplus falls to £147m in September

By Frances Williams

The first monthly trade figures to be published since February show that Britain ran a balance of payments surplus on current account of £147m in September, compared with an average of £850m in the three months to February, 1981.

The surplus on visible trade shrank to £13m in September, as imports jumped by a quarter from February, while exports rose more slowly. This virtual balance for visible trade compares with a record surplus in January of £742m and a still substantial surplus in February of £314m.

The balance on invisibles—trade in services such as shipping, banking and insurance—has also shrunk since the early months of this year, when they were boosted by EEC budget refunds. The estimated surplus in September was put at £134m, down from an average of £437m in the first quarter of 1981, but similar to the monthly average since then.

Figures for visible trade in the months between February and September have not been published because of the Civil Service dispute and it will take some months for the statistical backlog to be cleared.

The Department of Trade warned yesterday that because monthly figures are so variable, the September figures in isolation could provide little or no guide to the recent underlying trend in exports and imports.

Nevertheless, they reveal some statistics which must prove worrying to the Government, notably the huge surge in imports.

Imports in September totalled £4,446m, on a seasonally adjusted basis, up by a third from the average for the three months to April. Import figures for March and April were also published for the first time yesterday.

Import volumes in September were higher by a quarter than the three-monthly average to April, reaching a level last achieved in April, 1980. Massive destocking since then has been a major factor in the subsequent decline in imports seen up to last spring.

The recovery in imports may signal that stocks are being rebuilt, though there is relatively little evidence that this has been happening from other statistics. Retail trade has weakened and manufacturing output has picked up only slightly in recent months.

Imports of raw materials were up by 24 per cent in September from the first quarter of this year, compared with 30 per cent for semi-manufactures and 38 per cent for manufactures. Capital goods imports were up 48 per cent over the same period, while consumer goods imports (excluding cars) rose by 31 per cent.

The balance of Britain's non-oil trade slumped to a deficit of £277m in September, after running in a substantial surplus in the second half of 1980 and January this year, though it fell to only £85m in February.

Foreign exchange markets marked up the pound when news of the trade figures came through. They were not as bad as some analysts had feared. Over the same period, while high interest rates in the United States had depressed its value by the end of the day and it closed 2.1 cents down at \$1.82.



Movie moguls focus on London

Hollywood temporarily ceased to be the centre of the cinema world this week when most of California's movie moguls flew to London to launch a new international distribution agency, United International Pictures.

They included (above) back row—left to right: Barry Diller, chairman of Paramount; David Begelman, chairman of United Artists; Frank Rosenfeld, chairman of MGM; Sid Sheinberg, president of MCA. Front row—left to right: Lew Wasserman, chairman of MCA; Kirk Kerkorian, majority shareholder of MCA; Charles Bluhdorn, chairman of Gulf and Western.

From November 1, the company will act as the foreign distributor for the theatrical products of MCA, MGM, Paramount and United Artists. The cinema distribution work of Cinema International Corporation (CIC), which is jointly owned by Paramount and MCA, will be taken over by the company, though CIC will continue to distribute home video releases and run cinemas in several countries, including the United Kingdom.

A statement from the companies said: "The new partnership can only further underline all four companies' dedication to up-to-date marketing of films and realistic operating costs."

Though the new company will concentrate initially on distribution, it is expected that it will move into film production.

Package threat to domestic tourism

By Derek Harris, Commercial Editor

It looks like 1982 will be a gloomy year for the already hard-hit United Kingdom home tourist industry as leading package tour operators offer still cheaper holidays overseas.

Intasun, Britain's third largest package tour operator, yesterday announced the lowest ever average price rise—2.5 per cent. The company hopes to win extra customers among the 25 million who spend their holidays within the United Kingdom. Only around 4.4 million Britons are expected to take holidays abroad next year.

Intasun's average increase—taking inflation into account—means the holidays will be 3 per cent cheaper than this year—gives a new twist to the price competition in the foreign package market.

Thomson, the market leader, has increased average prices by 5 per cent, although some holidays are down in price on brochure comparison. It is the same at Thomas Cook, while Portland, a leading direct-sell operator, is rising an average 7.5 per cent.

Global, the GUS subsidiary, is expected to announce average price rises well under 10 per cent next week. The same is expected from Cosmos, the second largest tour operator.

But the other factor is the big increases in numbers of holidays offered which the big operators are bringing in at a time when at best the 1982 package market is expected to rise by 5 per cent at the expense of the home market.

Intasun is increasing its capacity by 17 per cent to 550,000 holidays. Global is expected to go for a 30 per cent rise next week while Thomson has planned a rise of 11 per cent. Horizon 17 per cent and Thomas Cook 22 per cent.

Despite the challenge in the rest of the industry, Intasun's highly competitive pricing, it will not erode the company's profit margins, claimed Mr Harry Goodman, Intasun chairman. Like some other big operators, Intasun has been getting advantageous deals from hoteliers, particularly in Spain and Italy.

The financial performance of Intasun, due to release half-year profit figures in December, has been extremely encouraging, said Mr Goodman. Aircraft load factors—crucial to profitability—this year at Intasun have risen to 95.9 per cent, he added.

Thomson, in keeping its price rises down, has accepted some trimming of profit margins. Intasun's pioneering of the Florida market, which gave them a peak holiday sale there of 75,000, has now been overtaken by a surge of new competitors. The Florida programme is being expanded but sales are now expected to settle down to around 45,000.

Jetaway, the Associated Communications Corporation subsidiary, has sold 52,000 Transatlantic packages this year, up from 40,000 in 1980. Its share of the total package market now looks likely to go above 20 per cent.

Vauxhall set to raise car output

By Peter Waymark

Vauxhall is considering increasing production at Luton because of 'unexpectedly high demand for its new Cavalier'.

Mr Ferdinand Beickler, Vauxhall chairman, said yesterday that orders were running at twice the level of output.

A decision is to be taken shortly on whether to increase capacity from the present target of 350 cars a day to between 500 and 550 a day. Mr Beickler said this could be done with a few adjustments and there would be no difficulty in making extra cars available.

He agreed that in raising production levels for the Cavalier they had probably overestimated the effect of high interest rates on the new car market. If output were increased, it would require an investment of less than £1m and he did not envisage taking on more employees.

The success of the Cavalier, which was launched a month ago, helps to put Vauxhall on target to achieve a 10 per cent market share in 1982, compared with less than 7 per cent so far this year.

Mr Beickler said they were hoping to buy more British components for the Cavalier but that it had to be economical to do so. At the moment only 30 per cent of the factory value of the car, including labour, was British.

On future investment, he said no decision had yet been taken on whether the new small Vauxhall, code-named the S car, would be made in Britain. That would partly depend on whether the British plants could achieve the right levels of productivity.

The S car, a "supermini" in the Ford Fiesta/3L Metro class, is to be launched in the spring of 1983. Production will initially be concentrated on a new factory being established at Saragossa in Spain with a capacity of 270,000 units a year.

Employers gloomy on recovery prospects

By Peter Hill, Industrial Editor

Britain's business leaders yesterday presented the Government with more dismal economic forecasts for the next three years.

The Confederation of British Industry expects that unemployment will continue to rise, with little likelihood of a further significant fall in inflation. Next year, according to internal forecasts by the CBI's economists, there will be only a modest improvement in output, amounting to less than 1 per cent.

These gloomy predictions will provide no comfort for those Ministers who have increasingly claimed that the worst of the recession is over and that some improvement can be expected.

The employers' organization has consistently supported the Government's principal objective of reducing inflation, but has argued equally strongly that this objective must form part of an overall strategy to strengthen the economy and promote the business sector.

Next month's fifth annual conference of the CBI, to be held at Egham, is expected to reveal the extent of the split between those members who believe that some changes in economic policy should be made and those who remain committed to total support of the Government.

A paper prepared for the conference by the CBI's economists pointed out that output in the whole economy is now about 1 per cent lower than a year ago; company profitability has fallen further; and industry's competitiveness at the end of last month was 35 per cent less than six years ago.

On future prospects, the CBI said that lower pay rises and further improvements in working practices should exert a downward influence on inflation. But the organization gave warning that the rising price of imports and government charges, and the need to improve profit margins, were likely to limit the fall in inflation in the next two or three years on present policies.

At a press conference yesterday, Sir Donald MacDougall, the CBI's chief economist, said that the adverse effects of higher interest rates in the past few weeks had been offset by the lower level of sterling.

GKN stalemate may kill plan for steel

By Peter Hill, Industrial Editor

Discussions have run into difficulties on forming a joint venture company between private companies and British Steel to rationalize the British industry's engineering steels sector.

Moves to create the company have been going on for months. Unless agreement can be reached between GKN and British Steel, the plan to rationalize the industry's engineering steels sector.

Subsequently, agreement was reached between Tube Investments and the corporation to buy out Tube Investments' 50 per cent interest in Round Oak. The corporation is now responsible for the Park Gate Iron and Steel Company.

GKN was involved with the Corporation in forming the Phoenix One company, Allied Steel and Wire, which brought together their steel and wire businesses in a limited liability company with a turnover of £200m.

Agreement with GKN on the engineering steels company was always critical to the plan's success. To establish a similar joint venture in engineering steels with a turnover of £500m-£600m. But agreement appears remote though the Department of Industry, which has played a key role in encouraging the company's formation, has not finally ruled out a deal.

GKN's failure to participate would be a blow to the Government. But Ministers would encourage British Steel to rationalize those engineering steels operations which it now owns through the formation of a free standing, but wholly owned, limited liability company.

The engineering steels rationalization plan, known as Phoenix Two, was designed originally to embrace the activities of British Steel, GKN, Dupont, Hadfield and Round Oak Steels, once jointly owned by the corporation and Tube Investments.

Since then, Dupont's heavy losses have forced its withdrawal from the steel industry, involving a transfer of its steel processing activities to a British Steel subsidiary and closure of the Llanelli steelmaking plant with the loss of 1,100 jobs.

In April, the Llanelli-owned Hadfield announced that it was to make almost 2,000 of its

Monetarism warning by banker

By Frances Williams

Europe's top central banker warned a London conference yesterday that monetary policy alone should not be made to carry the burden of the fight against inflation.

Herr Karl-Otto Pöhl, chairman of the Bundesbank, the German Federal bank, said the more it is called upon to do so, the longer and more severe would be the impact of high interest rates and worsening terms of trade.

Choosing his words carefully, to distance himself to some extent from open criticism of United States policy, he referred to complaints over the Federal Reserve Board's tough approach to curbing the money supply.

"The sooner that policy shifts to dealing with inflation the better," Herr Pöhl asserted. He agreed with the basic objective. "It is inflation, and our apparent impotence in dealing with it, which is at the root of the instability that besets the international monetary system," he said.

Exchange will go for cash

By Michael Prest

The London International Financial Futures Exchange (LIFFE) is to offer contracts in short-term cash deposits rather than Certificates of Deposit, which it hopes will become the basis for setting interest rates in London.

Mr David Burton, chairman of the LIFFE contracts sub-committee, said there were perhaps only six institutions in London able to reliably deliver certificates. The time deposits will be in sterling and dollars.

LIFFE will open its September, three months later than proposed, because of time needed to obtain planning permission to refurbish the Royal Exchange.

Mr John Barkshire, LIFFE chairman, said the exchange will also offer currency contracts in sterling, Deutsche marks, Swiss francs and yen, all against the United States dollar, and a long-term gilt contract.

A second round of membership applications is to be invited, designed to double the number of seats to 400. But the first round will have to pay £30,000 for a seat, £10,000 more than in the first round.

Stock Markets	
FT Index	473.3 up 9.0
FT 100	61.35 up 0.03
FT All Share Index	286.73 up 4.98
Bargains	14.161
Sterling	
\$ 1.8200	down 2.1 cents
Index	87.3 down 0.7
New York	\$1.8220
Dollar	
DM 105.3	up 0.1
DM 2.2307	down 15 pts
Gold	
\$ 437	up \$1.00
New York	\$431.50
Money	
3 mth sterling	161-161
3 mth Euro	\$ 16-164
6 mth Euro	\$ 161-161

PRICE CHANGES

Rises	
AGS Research	3p to 22p
Horizon Travel	15p to 23p
Lasmo	18p to 48p
Mercantile Hsc	20p to 39p
M J Meyer	4p to 15p
Plascon	12p to 30p
Poly Pack	20p to 30p
Premier Cons	5p to 62p
Racal Elect	12p to 40p
Sinclair	14p to 35p
Ultramar	20p to 48p
Falls	
Asam Frontier	8p to 20p
Atlantic Resources	10p to 26p
Butterfield Harvey	10p to 20p
Cater Ryder	5p to 28p
Change Wares	3p to 39p
Conder Int	5p to 15p
Foster Bros	4p to 54p
Humbleigh Gp	8p to 82p
Mothercare	10p to 14p
Rowlinson Cons	10p to 42p
Union Discount	5p to 12p
Vogel	5p to 12p

Opec talks confirmed

The organization of Petroleum Exporting Countries (Opec) has confirmed that it will hold a special meeting in Geneva on October 29 to try to align its pricing policy.

Dr Subroto, the Indonesian energy minister and president of Opec, said that there was already a virtual agreement among the group's 13 members on unifying their prices.

He refused to be drawn on the level at which oil might be achieved, although \$34 a barrel has been widely predicted.

Rolls-Royce jobs talks

Mr Phillip Whitehead, and Mr Walter Johnson, the two Labour MPs for Derby are to meet the management and unions of Rolls-Royce, after an indication that about 15,000 workers at the company will lose their jobs over the next five years.

Rolls-Royce expects to shed about 4,000 jobs this year, Mr Dennis Head, managing director for operations, told employees: "In some areas we may have to make use of compulsory redundancy, although I assure everybody this would always be a last resort."

Productivity is 30 per cent below that of the company's main aero-engine competitors.

Mr Johnson said that he would find out if government assistance would be available.

□ The Department of Industry has issued a 34-minute film entitled *Robots in Industry* as part of the Government's campaign to persuade British companies to invest in industrial robots.

BUSINESS BRIEFING

No boom at the inn

Lex Service Group, the motors trader which has just diversified into electronics components in the United States, is ending its connection with the hotel business by selling its last international hotel and ending a long-term management contract of the Carlton Tower Hotel (right) in London's Knightsbridge.

The International Hotel at Baltimore-Washington Airport in the United States is being sold to BWI Inn Associates for \$5.5m (nearly £3m). With the buyers taking on two mortgages, the deal yields Lex about £2m in cash. Another £4m comes from Proteus, to which Lex sold the Carlton Tower in 1977 and which is buying the 16-year balance of Lex's management contract.

In the past year Lex has sold hotels at Gatwick and Heathrow in Britain and others in Chicago, Houston and New Orleans. Lex believed it had moved too late into the hotel business.

Wimpey offers 7½pc loans

Wimpey Homes is offering mortgages of only 7½ per cent, half the building societies' basic rate, to all its new home-buyers from tomorrow for 12 months on loans up to £25,000. It is also offering an "expenses paid" package covering legal, and survey fees and stamp duty on houses up to £30,000 and will consider buying purchasers' existing homes.

Science park for Glasgow

The Scottish Development Agency is to seek planning permission for a 16m "science park" which could create 500 jobs in Glasgow. The "park" would be an industrial estate of small units with specialized facilities for science-based high technology industries.

The agency said the park with backup support from Glasgow University and the Institute of Physics would help to attract "innovative" companies.

Inquiries have already come from established companies and individuals wanting to develop or research new products.

Credit to Fraser

More than 100 new jobs are to be created in Glasgow by the House of Fraser stores group which is to set up its central credit unit in the city.

The company is to receive government aid under the office and service industry scheme, the amount based on the number of jobs created. The centre will handle credit procedures for all 116 of the group's stores.

Bank changes name

The People's Bank is changing its name to the People's Trust and Savings after losing its recent appeal against the Bank of England to retain its former name.

People's Trust which is a subsidiary of Provident Financial, addressed the Institute of Personnel Management annual conference at Harrogate.

Mr John Wakeham, Parliamentary Under-Secretary of State for Industry, is to make an announcement in London on the future of the Department of Industry's Manufacturing

Charrington prices rise

Beer will cost more in 1,600 Charrington public houses in London and the South-east from next Monday. The company is increasing the prices of most of its beers in its managed houses by between 2p and 4p a pint.

It expects that tenanted houses will make similar increases, but there will be no change in the price of Toby bitter and Hemmeling lager. Charrington said that the price changes were the result of ever increasing costs.

Construction orders stable

Construction industry orders for August were £338m, virtually the same as the previous month, while the quarterly total was 21 per cent higher than the same period last year at £1,089m. Part of the increase is attributable to the £150m order for the new terminal at Heathrow Airport.

Mr John Michael Bridgeman, aged 50, an Under-Secretary at the Treasury since 1975, has been appointed Chief Registrar of Friendly Societies in succession to Mr Keith Brading, who will be retiring shortly.

Advisory Service for smaller firms.

The British Standards Institution holds its annual meeting. The council of the Confederation of British Industry holds its monthly meeting in London.

Companies reporting results include: Telephone Rentals, British Home Stores, Kalamazoo, Hawker Siddeley and Sun Life Assurance.

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IN BRIEF

Japan urged to reduce trade gap

A Japanese economic mission touring Western Europe has urged its government to redouble efforts to open the Japanese market to avert threats of protectionism in the European Community, the Foreign Ministry said in Tokyo.

The mission, led by Mr. Yoshinori Inayama, president of the Federation of Economic Organizations, said in a report to Mr. Zenko Suzuki, the Japanese Prime Minister, that sharp increases in some Japanese exports are causing political and social problems in EEC countries.

Some EEC countries, the report said, might be unable to resist the pressure for protectionism if their trade imbalance with Japan continued.

Dutch deficit

Dutch visible trade showed a provisional deficit of 419 million guilders (about £93m) in August, compared with a 19 million shortfall in July and a 789 million deficit in August last year, the Central Statistics Office in The Hague reported.

S Africa car sales

Sales of new cars in South Africa reached a record 27,626 in September, up from 23,649 in August and 26,490 in September 1980, according to the National Association of Automobile Manufacturers in Johannesburg.

Brazil devalues

Brazil devalued its currency, the cruzado, by 13.53 per cent on Monday to 112.16 to the United States dollar to buy and 112.72 to the dollar to sell.

Trading group

Zambia is to convene a 17-nation summit in December to form a regional preferential trade agreement in east, central and southern Africa, Mr. Sikele Mwale, special government aide for economic cooperation, announced in Lusaka.

Swedish output

Sweden's industrial production index was estimated at 126 for August, compared with 130 for August 1980. (1966 equals 100).

Credit for Poland

Japan is to extend a \$30m (about £16m) export credit to Poland for the purchase of industrial plant and related equipment.

EEC regional aid 'fails to help small businesses'

By Peter Hill, Industrial Editor

Member governments of the European Community last year spent more than £2,700m on regional incentive schemes to encourage economic development in areas hit by high unemployment and decline of traditional industries.

That was the estimate made in a detailed study published yesterday which criticized the failure of many governments to introduce incentives which specifically met the needs of small firms and service industries. Both were areas which had been neglected in overall regional policy.

The study noted that in many European countries the trend has been to cut back on regional incentive expenditure in real terms although the cuts have largely taken the form of reduced area coverage rather than lower incentive values.

The main reduction occurred in the United Kingdom. As a result of regional policy changes introduced by Sir Keith Joseph, former Industry Secretary, more than two years ago when categories of assisted areas were redesignated.

But the report said that the effect of these changes in Britain should not be underestimated. The main United Kingdom incentive — the regional development grant — is no longer available in the so-called intermediate areas and, as a result, the grant is now limited to areas holding less than 22 per cent of the British working population compared with almost 44 per cent previously.

The study, produced by the Centre for the Study of Public Policy at Strathclyde University, showed that in terms of incentive expenditure per head of population, Ireland, Italy and Northern Ireland lead the rest of the Community.

The Irish package amounts to an average of £32 per head annually followed by Italy at £12.5. The United Kingdom figure is £10.

The report is also critical of the EEC Commission's competition directorate and its so-called "co-ordination solution" under which ceilings are set for each of the Community regions in terms of the aid that they can offer. The competition directorate also curbs the type of incentive which countries can offer.

European Regional Incentives 1981, edited by Douglas Vulliamy and Kevin Allen, University of Strathclyde, Glasgow. Paperback £17.50; case £25.

Adverse trading factors were partly responsible, the council said, but the key factor was undoubtedly the British fleet's lack of competitiveness in which manning costs were paramount.

"The plain fact is we are pricing ourselves out of the market," a spokesman said. "It is going to be a long hard struggle to restore the competitiveness of the British fleet, but it is a fight we must win if we are to survive as a leading maritime power."

The industry is preparing a response to a National Union of Seamen wage claim said to be worth up to 30 per cent, after last year's 12½ per cent.

Meanwhile, the Norwegian liner Blenheim is immobilized at Plymouth by 150 British seamen trying to prevent it "flagging out" to Danish ownership and Bahamian registration.

UK merchant fleet 'pricing itself out of market'

By Michael Bailey, Shipping Correspondent

The British merchant fleet is pricing itself out of the world market because of manning costs, according to the General Council of British Shipping.

The council yesterday disclosed that, at 32.3 million tons, the British fleet had shrunk by a third in five and a half years.

This was underscored by figures showing that 17 ships totalling 600,000 tons deadweight — cargo liners, tankers, bulk-carriers and roll-on, roll-off vessels — left the British fleet in August.

So far this year, 90 ships of 3 million tons have been lost to the United Kingdom registry.

Some of the tonnage was scrapped, but most were sold to foreign flags where they could be operated more cheaply.

Energy industry wants more details of Whitehall proposals Pipeline problems in gas sell-off plan

By Michael Frost

The energy industry has so far reacted cautiously to the announcement of the Government's intention to denationalize parts of the British National Oil Corporation and the British Gas Corporation. Oil companies' appetites are whetted, but they have been given no clear indication of the fare they may enjoy.

Nevertheless, one view gaining ground is that British Gas will be more affected than BIOC. The latter, after all, will not be broken up. On present interpretations it will be obliged to sell stakes in the corporation, but not the assets. British Gas, by contrast, will have to dispose of its holdings in five North Sea oil fields, the Wytham Farm field in Dorset and relinquish its monopoly over gas sales.

Companies working alongside British Gas in the North Sea fields were careful yesterday to stress that, without knowing the terms of the oil asset sales, they were not rushing to make offers. At the same time, however, they admit that, at any reasonable price, these oil stakes are well worth acquiring. Despite the fact that the North Sea tax regime is not seen as an obstacle.

The British Gas North Sea oil interests consist of two producing fields and four fields under development. Beryl A, in which the corporation has a 10 per cent holding, is operated by Mobil and produces about 5 million tonnes of oil a year. Montrose is operated by Amoco, and is a smaller field producing 1.4 million tonnes a year, of which the British Gas share is 30.3 per cent.

The four fields under development are Beryl B, operated by Mobil and due to come into production in 1984, and Fulmar, Hutton and North West Hutton in each of which the joint licence holders are Amoco and British Gas. Fulmar and North West Hutton are scheduled to start pumping next year, followed by Hutton two years later.

Estimates of the value of the corporation's stakes in these fields range from £500m to £800m.

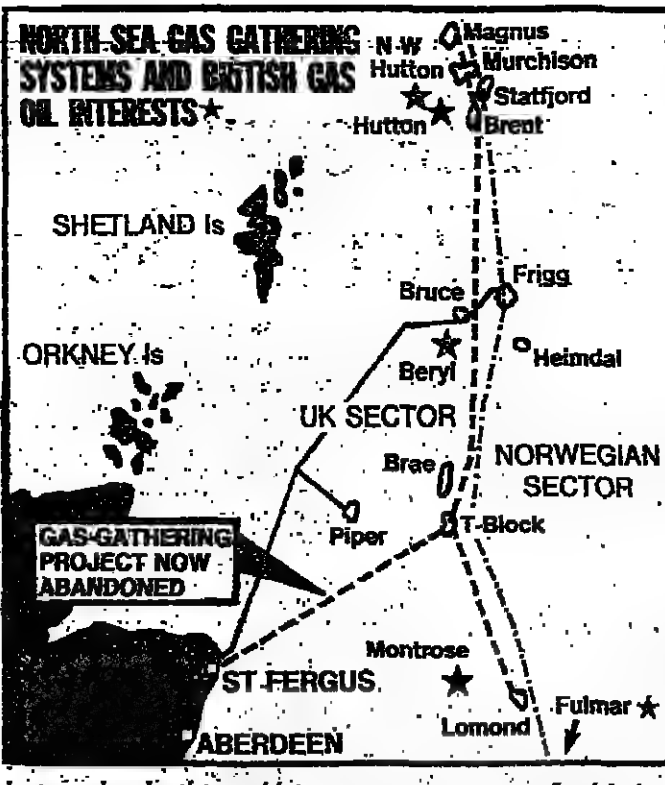
Valuable though these assets are, what will hurt the corporation most is the loss of its gas monopoly. Under the proposals announced by Mr. Nigel Lawson, the Energy Secretary, its right to sell all gas will be removed and, instead, it will control only gas sold to domestic users, opening up the market in gas to industrial customers.

British Petroleum, a company to which North Sea energy is very important and which has 50 per cent of Wytham Farm, said: "The legislation is a useful step. It should give the oil companies the choice of not selling gas to British Gas, but of making their own arrangements for its disposal in the United Kingdom. Equally, the companies should be free to lay their own pipelines or to use British Gas networks at a reasonable tariff."

Herein lie difficulties. The gas industry is a network of pipelines through which particular customers can be separated from British Gas sales. The picture is further complicated by the fact that the corporation will presumably not lose all its industrial customers.

Most of these, moreover, have contracts with several years to run. Legislation abolishing the British Gas monopoly of industrial gas sales might therefore also have to allow renegotiation of such contracts.

Most problematic is the alternative of building private pipelines. The cost of pipelines through a crowded island is very high, and it might only be economic to construct them to industrial centres, for example the Midlands and north east of England. Yet it is precisely here that competition from the existing British Gas network would be stiffest.



Scrip issue as Saga tops £3m

By Our Financial Staff

Pretax profits of Saga Holidays for the year ended 31st March 1981 rose from £2.4m to £3.1m. The final dividend is being increased to 11.42p a share, making a total of 16p for the year, against 12.8p gross, an increase of 24 per cent.

Turnover of the group, which has recently moved into leasing, rose from £25.9m to £30m and operating expenses increased from £24.6m to £28.4m. The operating profits of Saga were £1.6m, against £1.1m, while net investment income rose from £1.1m to £1.5m.

The retained profit for the year came out at £2.4m, compared with £1.8m, and earnings per share jumped from 39.36p to 51.57p. Apart from the increase in the dividend, the group is also making a scrip issue of two shares for every one held. This requires resolutions to be passed at an extraordinary meeting, which will be held immediately after the annual meeting on December 11.

Mr. Sidney De Haan, the chairman, said in a statement: "The future looks encouraging. Current bookings for our winter programme are well ahead of those achieved last year and the forward bookings for our spring programme are also well ahead of the position last year at the comparable date."

Our two new major tour operating projects have started well. Last Five, our holiday programme for family holidays, has a satisfactory launch, producing a small contribution to turnover and profits.

Confident Peachey up 21.5pc

By Catherine Gurney

Profits of Peachey Property rose by 21.5 per cent to £4.7m before tax for the year to June 24 and the dividend effectively has been increased by more than two-fifths, to 6.43p gross, adjusting for October 1980 rights issue. The shares rose 6p to 133p yesterday.

Sir Charles Hall, the chairman, expects further satisfactory progress. Mr. John Brown, managing director, said yesterday that a £720,000 increase in net rents, to £3.8m, reflected three months of the Avenue close acquisition and rent review.

The group continues to look for additions to its already wide spread property interests.

A £1m surplus on a property revaluation of £78.4m contains £1.75m of Avenue Close property.

Group interest payable fell by £173,000 to £528,000 because Peachey is now capitalising the interest costs of developments until completion.

Lucas strike leaders accused in walk-out

By Clifford Webb

Sixty members of a white collar union walked out of a meeting of Lucas Aerospace strikers in Birmingham yesterday in protest at the way it was being conducted. They said they would join colleagues already returning to work.

But in their absence the meeting voted by a two-to-one majority to continue the week-old strike by 1,500 staff and manual employees which has halted production at two factories.

The walk-out was staged by members of TASS, the white collar section of the Transport and General Workers' Union. They claimed that shop stewards of the other unions involved — the TGWU, the United Electrical, Electronic and Communications Workers, and the Association of Professional, Executive, Clerical, and Computer Staffs (APEX) — had refused to allow them to vote at separate meetings for each union.

The dispute follows Lucas Aerospace's refusal to make extra payments to 80 employees at the Sharncliffe Lane and Marston Green plants for working with new technology, including visual display units. Management threatened to dismiss all 80 last Tuesday and the walk-out force walked out.

Lucas says it cannot afford to be penalized every time it introduces new technology to its computer services in the world's most competitive business. It denies the strikers' claim that it has made extra payments elsewhere in its aerospace plants, but admits that it has done so in other parts of the group.

Lucas said last night: "All our companies are highly autonomous and subject to different pressures and priorities. Aerospace management has never made any payment to workers for accepting new technology, although there may have been some rationalization of rates."

Bank Base Rates

ABN Bank	15 1/4%
Barclays	15 1/4%
BCCI	16 %
Consolidated Credits	16 %
C. Hoare & Co	15 1/4%
Lloyds Bank	15 1/4%
Midland Bank	15 1/4%
Nat Westminster	15 1/4%
TSB	16 %
Williams and Glyn's	15 1/4%

* 7 day deposit on sum of £10,000 and under 90 days 250,000-999,999

Marks & Spencer

The unaudited results of the Group for the first half of the financial year ending 31st March 1982 are announced as follows: —

	26 Weeks Ended:		Year Ended
	26th Sept. 1981	27th Sept. 1980	31st March 1981
GROUP SALES (excluding VAT and other Sales Taxes)			
	£m	£m	£m
United Kingdom Stores			
Clothing and other merchandise	550.0	502.9	1,121.5
Foods	340.5	285.8	617.7
	890.5	788.7	1,739.2
Overseas stores			
Europe	19.6	15.7	33.3
Canada	42.3	30.2	78.1
Direct export sales outside the Group	10.7	10.9	22.3
	963.1	845.5	1,872.9
GROUP PROFIT BEFORE TAXATION			
The United Kingdom (Note 1)	85.5	69.5	176.8
Europe	1.1	3	1.9
Canada	(.6) loss	(.9) loss	2.5
	86.0	68.9	181.2
TAXATION (Note 2)	41.1	31.7	80.6
GROUP PROFIT AFTER TAXATION	44.9	37.2	100.6
Profit/(Loss) attributable to minority interests	(.3)	(.4)	1.1
	45.2	37.6	99.5
PROFIT ATTRIBUTABLE TO MARKS AND SPENCER p.l.c.			
Earnings per share	3.46p	2.89p	7.62p

The Directors have declared an interim dividend of 1.75p per share, compared with 1.5p last year, an increase of 16.7%. This dividend will be paid on 15th January, 1982 to shareholders whose names are on the Register of Members at the close of business on 13th November 1981.

- Notes on 26 weeks figures: —
- The figures include the profit earned on sales of fixed assets of £0.8 million compared with £1.1 million for the half year, last year and £3.2 million for the full year, last year.
 - The taxation figure for the first half of last year has been adjusted to reflect the actual rate of taxation on the year's profit.
 - The figures have been prepared on the historical cost basis of accounting. On the current cost basis of accounting, the half year's profit attributable to the Company is £41.1 million compared with £33.2 million last year, and £90.9 million for the full year, last year.
 - The results of overseas subsidiaries have been consolidated using exchange rates ruling at 26th September 1981. Because of the recent weakness of sterling, Canadian exchange rates in particular are materially different from those used last year, and this has distorted the comparative figures. Expressed in Canadian dollars, sales in Canada increased by 9.1%, and losses were 51.1% lower than in the first half year last year.

St Michael

USM quotation for agricultural group

By Margaret Pagan

Investors will have the chance to follow the fortunes of a US company, family agricultural concern when it comes to the United States Market next week.

Sheldon Jones, formed in 1964 by the merger of two family businesses, both over 100 years old, is raising 12.5 per cent of its \$1.2m share issue to the market. The placing, handled by Country Bank, is for 600,752 shares of 25¢ each, at 67¢ a share, which capitalizes it at \$35.8m. Dealing is expected to start on Monday.

The group makes animal feedstuffs and supplies materials to dairy, pig and poultry farmers in the south west of England.

Mr. Thomas Walker, Chairman, estimates that Sheldon Jones has some 20 per cent of market share in the 'Somerset/Avon region.

Sheldon Jones's reasons for coming to the market are twofold. With a majority shareholding, many of the family members wished to diversify their investments and the USM was seen as a useful means of raising finance for expansion.

Pretax profit forecasts for the year to May 1982 are not available, because of the seasonal nature of the business, but the year has started well. For the last year, to May, Sheldon Jones made pretax profits of £761,000 on turnover of £11.7m. At the placing price Sheldon Jones has a historic price earnings multiple of 7.4, and on the forecast dividend of 5p this represents a gross yield of 7.5 per cent.

Sharp rise at FJC Lilley

Profits of F J C Lilley, the Glasgow-based civil engineer and builder which is bidding £8m for MDW Holdings, rose by 29 per cent to £3.55m before tax in the six months to July 31. The figure was boosted by £635,000 in interest earned on deposits after last October's one-for-four rights issue.

The first-half dividend has been raised by 10 per cent to 2.83p gross on the enlarged capital. The directors plan a similar increase in the final.

Sales went up by 16.4 per cent to £55.1m. The first-half figures do not include American car profits from two summer acquisitions, B W Currow and Petro-Chem Construction.

The agreed offer document for MDW Holdings will be posted shortly.

Ductile Steel loss

Ductile Steels plunged from a pretax profit of £3.5m to its first-ever loss of £2.2m in the year to June 27. The dividend was cut from 10p gross to 6.4p, a payment made possible by a recovery in the second half with a profit returned in the quarter to September.

The recovery followed cuts

Walter Lawrence

Although turnover of Walter Lawrence dipped from £31.6m to £30.6m in the six months to June 30, taxable profits rose from £580,000 to £660,000. The first-half dividend has been held at 3.6p gross.

Business appointments

Lloyds Bank promotion

Mr. B. L. Pitman, deputy chief executive of Lloyds Bank International, has been made deputy group chief executive of Lloyds Bank from January 1.

Mr. Robin Biggam has become finance director of ICL with a seat on the main board from December 1. He is a deputy treasurer of Imperial Chemical Industries, currently seconded to Carrington Virella as executive director with responsibilities that include finance.

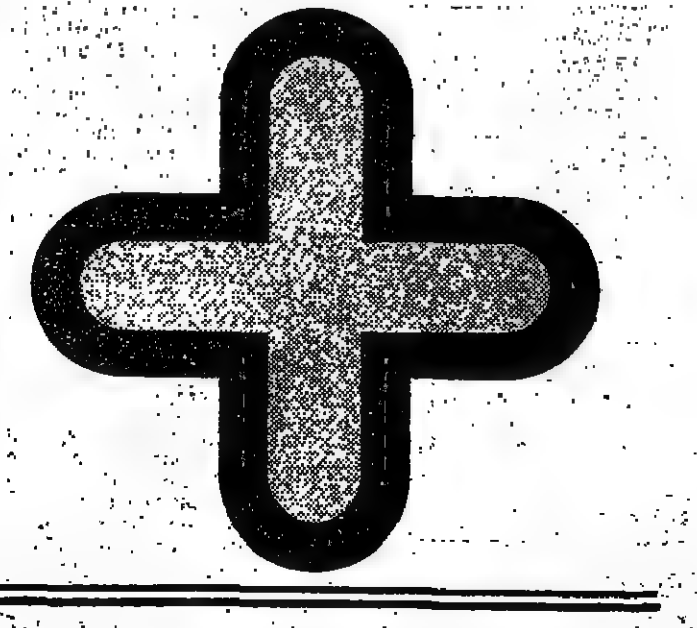
Mr. M. J. Moore has been named chief executive for the adhesives and sealants division; Mr. A. J. Green, chief executive, Dussak Campbell division; Mr. L. W. Pilgrim, finance director and Mr. C. H. E. Cook, personnel director of Birmaham, Specialist Chemicals, a wholly-owned subsidiary of The Birmaham Oil Company.

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The Over-the-Counter Market

1980/81	1981/82	Company	Price	Chgs	Div	Yld	%	Actual	P/E	Full
74	100	ABN Bridge 10% GULS	110	—	10.0	9.1	—	—	—	—
76	39	Airspan Group	69	—	4.7	6.8	11.0	15.2	—	—
52	21	Aristage & Rhodes	4	—	4.3	9.8	37	8.3	—	—
200	92W	Burdon Hill	193	—	9.7	5.0	9.4	11.4	—	—
104	88	Deborah Services	97	—	5.5	5.7	4.8	9.1	—	—
126	88	Frank Horrell	115	—	6.4	5.6	10.4	25.0	—	—
110	38	Frederick Parker	69	—	1.7	2.8	26.1	—	—	—
110	50	George Blair	50	—	—	—	—	—	—	—
102	35	IPC	96	—	7.3	7.6	5.9	10.4	—	—
113	59	Jackson Group	56	—	7.0	7.3	3.0	5.8	—	—
130	105	James Burrough	108	—	8.7	8.1	7.9	9.3	—	—
334	244	Robert Jenkins	285	—	31.3	11.0	4.0	30.1	—	—
59	30	Scrimas "A"	53	—	5.3	10.0	8.2	7.6	—	—
224	187	Torrey Limited	187	—	15.1	8.1	7.2	12.4	—	—
23	8	Twinklark Ord	139	—	1.4	—	—	—	—	—
90	66	Twinklark 15% ULS	77	—	15.0	19.5	—	—	—	—
58	34	Uniclock Holdings	34	—	3.0	8.8	6.1	10.3	—	—
103	81	Walter Alexander	84	—	5.4	7.6	9.5	9.8	—	—
263	181	W. S. Yates	225	—	13.1	5.8	4.3	8.7	—	—



APEX PROPERTIES LIMITED

(Property Investment and Development)

Solent points from the statement of Mr. John de Vere Hunt, the Chairman, presented at yesterday's Annual General Meeting.

Profits after tax are £344,453, compared with £354,496 last year. A final dividend of 1.3p per stock unit is proposed, making a total of 2p for the year which is the same as last year.

We intend to carry out a complete refurbishment of one of our office buildings in New Malden, Surrey, at a cost of approximately £318,000. Work will be completed by November 1982 and the premises are confident that the works proposed will substantially increase the value of the building and ensure that a satisfactory letting is achieved on completion of the works and also that maximum rents will be achieved on future rent reviews.

Your Board state that in its opinion the present value of the Group's properties is approximately £10m in excess of the book figure. When the refurbishment at New Malden has been finished and the properties let, it is our intention to have the Group's properties professionally valued.

BY THE FINANCIAL EDITOR

Tremors from the statistics

Financial markets had been awaiting yesterday's September trade figures with more than usual interest. These were the figures that were going to show just how great had been the deterioration in our foreign trade balance since trade figures went off the air at the end of February. In turn, this news — or so it was hoped — would remove some of the recent uncertainty from markets and offer a pointer as to how sterling and domestic interest rates might behave over the rest of the autumn.

In the event, the domestic response to the figures was fairly muted, except on foreign-exchange markets where sterling slowly slid away to finish 2.1 cents lower at \$1.82. But while the modest surplus (£13m) on visible trade was, if anything, rather better than some City forecasts, the composition of the figures is hardly reassuring.

What we do not know at this stage is whether the September figures exaggerate the trend, or, indeed, what the path of the trend has been since the late spring. Has it been gradually upwards, or has it been rapidly accelerating over the past couple of months? Similarly, one might well ask whether the much more modest, but none the less welcome, improvement in export volume has followed a similar or totally different path from that of imports.

This is clearly a gap that it would be nice to fill in. In fact, by the time a reasonable sketch is eventually completed, it will probably be of strictly historic interest only. Markets will now have to wait on the October figures for more guidance. But in the meantime the further share reminder of the United Kingdom propensity for imports may not bring much comfort to a currency so susceptible to massive capital outflows.

Encouraged by a spate of tax concessions, and the introduction of "put options", this summer, more stockbrokers are eyeing the traded options market. Scrimgeour Kemp-Gee will make their debut next month and Greenwell are looking closely at the opportunities. While the market's detractors remain firmly unconvinced that London's traded options will ever provide the bonanza of Chicago, Scrimgeour expects the market to take off rapidly in the next year. Of course, that is what the protagonists have been hoping every year since the market began in April, 1978, when the number of contracts on a good day was 1,000. It was not until "puts" appeared this year that the average daily level rose from about 1,000 to 2,000 contracts now. The market's supporters continue to argue that even Chicago had a slow, if less shaky, start.

Guinness Peat

A house divided

The public airing given over the last fortnight to Guinness Peat's internal dissensions could not have come about at a worse time, with the group about to announce a big acquisition in conjunction with its United States money-broking side Noonan, Astley and Pearce which it clearly sees as an important step towards transforming the shape of the company.

Mr Dell and the professional managers around him have increasingly wanted to reduce the dependence on commodities and provided more reliable and stable sources of profits which has plainly not suited Lord Kissin's more buccannery approach. The latest profits setback must have concentrated the mind wonderfully and the conclusion seems to have been reached that certain parts of the group are not pulling their weight. The manufacturing and processing side is being tidied up but the biggest headache lies with the Guinness Mahon banking arm which is not paying its way in group terms. Some form of joint partnership relieving Guinness Peat of the financing burden would seem to be the ideal solution and developments along these lines could come quickly.

Meanwhile, the amount of share buying in Swiss nominee names has touched a raw enough nerve for the board to ask for the identities behind these accounts to identify themselves which may lead to disenfranchisement if they continue to keep mum. The buying may only be speculative at this stage but the group has been exposed in a way which has prompted bids in many similar cases. Clearly, the present management could not count on Lord Kissin's backing which may or may not be important depending on what support he can muster amongst shareholders.

Paterson, Zochonis

Caution on Nigeria

Given the depth of political and trading knowledge in West Africa spanning almost a century, the warning from Paterson, Zochonis that current profit figures are unlikely to match the record £29.5m a 35 per cent gain just announced should be taken seriously. Nigeria is without doubt its largest single profit earner and it is trading conditions there which form the basis of Paterson's caution.

The grocer turned fridge manufacturer is investing heavily in white goods manufacturing in Nigeria; £25m last year and the same again this year, but although this diversification has provided a large bulk of the 20 per cent sales increase to £266m, little has come through to profits. Full benefits here will not be felt for three years.

Clearly alert to suggestions that Nigeria will at some stage tighten its grip on foreign companies, Paterson is funding capital expansion locally. In January it raised £18m with a loan stock on the Nigeria stock exchange topped up with borrowings from Nigeria banks. Although associates are as as 50 per cent geared, the group's balance sheet is clear free showing cash and short-term deposits a third higher at £51m.

Bolstering profits this year was the performance of Imperial Leather group, Cussons, part of Patersons since 1976 and in which it has ploughed £8m into UK factories in the past two years. The bottom line has also been helped by a £13.3m write-back of deferred tax and profit retained rose from £8.3m to 25.8m.

But unless a greater spread of geographical earning potential is achieved, Nigeria will continue to be the barometer of its fortunes. The stock market took caution on board yesterday with the voting shares closing 2p up at 120p and the "A", 7p ahead at 123p. June's scrip issue and a 23 per cent increased total dividend still leaves it one of the lowest yields in the sector, but that should be enough to persuade shareholders to ride out any storm this year, given the group's impressive management record.

Reardon Smith

Bid possibilities

The half year results of Reardon Smith, which runs a small fleet of bulk carriers from a base in Cardiff, are about what could have been expected given the collapse in freight rates. For the six months to September the group managed to produce virtually unchanged profits of £641,000, and because of the availability of capital allowances it is unlikely that any tax will be payable for the half year. But the figures were helped by the strength of the dollar against the pound which to a certain extent disguised the deterioration in trading conditions.

The company has no illusions about how difficult conditions have become and it wisely gives warning that the position will remain extremely serious for the rest of the year. So there must be the possibility of Reardon making a fairly hefty loss in the second half to the point it might only just break even for the full year.

Why the trade figures are so worrying

David Blake

Yesterday's trade figures are among the most puzzling economic statistics published in recent years. Both imports and exports seem to have grown significantly during the six months March to August — for which we have no real information because of the Civil Service strike.

If the September figures establish a new trend we are set for sharply higher imports and slightly higher exports than we saw in the early part of the year.

The obvious explanations for the growth of imports would also suggest that we ought to be seeing falling exports. So by their very nature the figures carry a warning that this month alone we have to be careful not to read too much into one month's statistics.

That said, they make fascinating and worrying reading for anyone interested in the future of the economy. The volume of imports of all kinds went up markedly between the spring months and September. If erratic items are excluded, the volume of imports in September was above the levels recorded in 1979, just before the recession hit.

This is not simply a matter of industry leading up with raw materials for a recovery. In fact, there have been bigger increases in imports of manufactures than there have been in the growth of raw material imports. Consumer goods imports were up by

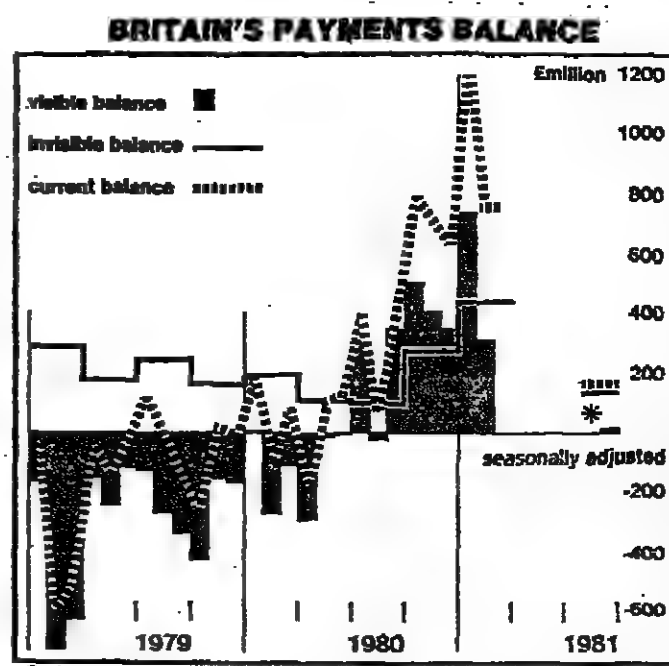
about 20 per cent from their level in the first quarter of the year and capital goods by 35 per cent.

There are two obvious kinds of explanation for this. One is that the economy was expanding rapidly in the months leading up to September, sucking in imports in the process. All previous booms have shown a big upsurge in imports; the trade figures could be interpreted as telling us that such a boom is under way now.

The trouble with that is that there is no sign of where the goods are going. They are certainly not being bought in the high streets, where retail sales are weakening. So the import recovery must be going to build up stocks in the country's warehouses.

That suggests that stocks are being built up very fast. But this in turn does not fit easily with the figures we have from manufacturing industry in Britain, whose output is not growing particularly rapidly, indeed may not even be growing at all, though it has stopped falling.

The conclusion to which this leads is that any recovery in stocks, which the Government has looked to as one of the driving forces for recovery over the next few months, will be merited by imports instead of British goods. Worse, when imports find that they are faced with weak British demand and high interest rates they may want to run down their stocks again, perhaps putting further



pressure on the British market.

That all suggests that after a fairly buoyant third quarter, we may see renewed weakness at the end of the year before a new upturn next year. It also suggests the second possible explanation for the rise in imports, which is that the loss in competitiveness caused by the overvaluation of the pound is at last starting to come home to roost, with British goods being priced out of the United Kingdom market. That solution makes perfect

sense. Unfortunately, it flies right against the evidence from the other side of our trading account. It is not simply imports which have probably risen over the past six months. So, too, have exports, not just in value (that could be explained by price rises), but in volume.

We know that the world economy has been pretty stagnant throughout most of 1981, with trade growth at 2 per cent a year or less. Yet the volume of exports in September was up by more

than 5 per cent compared with the level in the first two months of the year. That means that after nearly three years in which the pound rose sharply and Britain became the least price competitive country in the world, our share of world trade actually grew between February and September. That does not seem to point to industry being unable to compete; and to that extent it is inconsistent with the import figures.

Could the September figures be just a freak? There is obviously a problem when you start counting something that you have not counted for many months. It may be that the import and the export figures for the month are inflated because the authorities have accidentally included in them something which should have been recorded earlier.

It may be that it is one of those freak months, though it is very unlikely that the figures could deviate from the trend by more than about 5 per cent.

The jury will have to stay out on these questions until we get a full run of figures back to when the strike began. But the admittedly very tentative conclusion which seems to follow from yesterday's figures is that the days of our trade surplus are now sharply numbered. A current account deficit by the end of 1982 now looks a distinct possibility.

Will the door be slammed on UK insurers?

An initiative is under way to lift the restrictions on the EEC market for big industrial and commercial insurance risks. If it falls through, British insurers may have to wait another five years for a further chance to get into Europe.

Brussels

Unless something very surprising happens over the next two months, one of Britain's most successful industries will be kept out of the EEC market for at least the next five years.

Time is running out for Britain's attempt to liberalise the European market for large-scale industrial and commercial insurance risks. The reason was that the Dutch took over their six month's occupancy of the EEC presidency. Holland is the only EEC member state, apart from Britain, which has an extensive experience of freedom of services in the Community. Its tenure of the presidency, followed straight away by that of Britain, raised hopes that progress might at last be achieved in the insurance field.

But Monday's meeting showed that a great many problems remain. The directive as it stands is a drafter's nightmare of square brackets and alternative forms of words. The simple objective of Article 59 has been lost in a welter of proposed exceptions, exemptions and weak enabling provisions.

While Britain and Holland are keen to see the non-life services directive enter Community law, the others are lukewarm to hostile, their reasons ranging from concern over the protection afforded to consumers under any liberalisation, as in West Germany, to fears that the directive might mean the loss of a significant source of taxation, as in France. But perhaps the overriding consideration in most member states is a feeling that, while they have worked well enough to date, why change them now?

The British Government and Mr Christopher Tugendhat, the Commissioner responsible for financial affairs, have been stressing the freedom of services is a right of the Treaty. The services sector is also an area in

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which the United States is mounting a campaign for worldwide liberalisation and the continuation of a dirigiste regime in the EEC is likely to create friction across the Atlantic and reduce the European industry's ability to meet any eventual competitive challenges from outside the EEC.

Lloyd's of London and other British insurance organizations have been actively lobbying the Government and the Commission to stiffen their resolve to push the directive through, but it is now little more than two months before Britain hands over the EEC presidency to Belgium, which has one of the most restrictive insurance markets in the EEC.

Hopes for a breakthrough rest largely on persuading the West Germans to support the liberalising directive. The German position is distinctly contradictory. On the one hand, the Bonn government likes to pose as the defender of the free market economy in Europe and is the scourge of intra-EEC barriers to visible trade; but it also defends one of the most restrictive supervisory authorities to exercise control over an EEC insurance industry.

The reasons are partly historical. Germany's bankruptcy after the First World War ushered in a period of

financial crisis from which the insurance companies were not spared. A tight control over the industry was justified after the Second World War to help stimulate the growth of a property-owning democracy.

But the rebuilding of German economic and political life is now a long way in the past. Furthermore, the present non-life directive is not intended to liberalise the mass risk market, where the average consumer's interests lie, but merely that for large industrial, commercial and professional risks — areas where better and cheaper services could be expected to benefit West German industry.

These points must be known to both Dr Otto Graf Lambsdorff, the West German economics minister and the most prominent free marketeer in the Bonn cabinet, and Herr Eberhard von Brauchitsch, who has been named as the next president of the West German federation of industry, the BDI.

Graf Lambsdorff was a member of the board of the Colonia insurance group before becoming economics minister. The Flick industrial group, in which Herr von Brauchitsch is a managing partner, recently took control of the Gerling insurance concern, a major insurer of

industrial risks, and was given favourable tax treatment by the government because its investment was deemed to be especially beneficial for West Germany's industrial structure.

Even if the West Germans can be persuaded to back the initiative, a host of problems remain. The French have so far shown little willingness to compromise on the tax issue, while the Italians were reported to have been extremely obstructive on Monday, arguing that there was no need of change a system that had worked to their own satisfaction for years.

The question of the non-life services directive will probably be raised by Mrs Thatcher at the next EEC summit in London at the end of November. Sir Geoffrey Howe, the Chancellor of the Exchequer, has made it clear that he is not interested in a directed reform that brings no real benefits — a stance that has the backing of Mr Tugendhat.

If the directive does fail to be adopted during the British presidency it will most probably stay on ice until the Dutch turn comes round again at the beginning of 1986. In that case the only action that could be taken towards liberalizing this sector of the EEC market for services would be to fight a case based on the treaty provisions before the European Court.

But for that eventually a committed industrialist with strong financial resources and plenty of determination is needed.

Peter Norman

Business Diary: Sir Raymond rules OK?

That advice in the art of staging national conferences, the Confederation of British Industry, is to rewrite the stage directions for its fifth annual bazaar at Eastbourne next month.

Having so far failed to come up with a formula sufficiently different from the party political get-togethers to keep the delegates happy and the television audience awake, the CBI has decided to do away with formal resolutions.

Going, too, are the symphony of heavy-weight speakers who used to introduce and wind up these debates.

In their place CBI president Sir Raymond Pennock means to bring forward more speakers from the floor — those grey little men in the appalling suits who bound up to the rostrum for a brief moment of electronic glory.

That should keep the delegates happy, but what of television? Sir Raymond's idea is to have debates which the platform (ie, Sir Raymond) will pronounce to be worthy or not of a resolution.

Last year's conference made a bigger splash than the CBI either expected or indeed wanted, when the new director-general, Sir Terence Beckett, made that "bare knuckle" speech.

Illness will keep Sir Terence from Eastbourne this year, but other attraction is to be an eve of conference "Any Questions" featuring, understandably, Sir Geoffrey Howe and, inevitably, Shirley Williams — if she doesn't get the wrong train.

Sour grapes

It was grim news from Louis Latour, the leading Burgundy wine producer, at his annual tasting in Skinner's Hall yesterday. "We have finished harvesting, but in practical terms the 1981 wines scarcely exist," he said.

Senior members of his family, casting their minds back in search of a similarly short harvest, could not remember a worse since 1933 — when a plague of caterpillars struck.

Latour's earnest advice to burgundy lovers is to buy the 1979 vintage, itself light and not outstanding, while they could, the 1978 being already virtually exhausted and the 1980s very poor indeed.

With inflation raging in France, he says, prices must rise, although he gloomily acknowledged that increasing competition must be expected from the booming wineries of California. Unlike many French wine-producers, Latour has no wish to make transatlantic investments.

"Land prices are falling in Burgundy itself, with the recession," he says, "but if we were to think of buying now it would be further south in France, where the sun is more reliable."

The 1981 crop, Latour says, was the victim of an unprecedented series of climatic mishaps, which whirled it away bit by bit.

"I knew it would be no good," he says, "when I went picking blackberries, of which I am very fond, a month before the harvest. If the blackberries are poor, the grapes never prosper."



"May I, for your own sakes, suggest that you confine your adoption of Japanese ideas to the Acclaim?"

A fast buck?

The nattering nabobs on Wall Street who remain stubbornly sceptical of President Reagan's counter-inflation strategy can now point to a further alarming straw in the wind.

Washington is investing in a brand-new high-speed printing press for the Bureau of Engraving and Printing to churn out bank-notes even faster. And the web press has been ordered from Germany, a country which took the lead in high-speed currency production during the hyperinflation of 1920-23.

The press is twice as fast as the models now in service, producing 512,000 notes an hour, as against 256,000. The prototype costs \$1.9m (£1.1m), but this is chicken feed compared with the press's capacity. Printing \$100 bills it

could pay for itself in two minutes and 27 seconds flat.

Printing \$100 notes it could pay off the national debt of \$993,000m in eight days and one hour, 55 minutes and 12 seconds.

If the creditors prefer to be paid with smaller bills, say \$10 ones, the press could retire the national debt in 22 years. It would take 220 years to finish the job with singles.

A Bill to permit streamlining the production of \$1 bills was introduced the other day at the United States Treasury's behest, but was opposed by the Republican Congressman for Texas, Mr Ron Paul, who supports a return to the gold standard.

Contract, enticement

The Department of Industry is redrafting the contracts of state industry board members as they fall due for renewal, to bring them into line with those in private industry.

This is due to the Tories' industries should look, as well as be, more market-oriented. First in line is the British Steel Corporation, whose chairman, Ian MacGregor, was appointed last summer for three years under a novel and controversial transfer deal related to his performance in turning the industry round from record losses.

Among features being introduced in the new contracts is a six-month notice period for termination of employment and specification of the number of board meetings from which directors can absent themselves only with board approval.

These wheezes may go some way towards explaining why Bob Scholey, the burly chief operating officer of the BSC, is at present working for the BSC — without a contract. His previous five-year term of office ended on September 9, and though he has been offered a further three-years, there has so far been no announcement about a reappointment from Industry Secretary Patrick Jenkin.

MacGregor is keen to keep Scholey and the Yorkshire-born steelmaker, who earlier this month celebrated his fifty-ninth birthday, would like to stay. He says that working alongside MacGregor (57) has made him feel ten years younger.

Given the Government's difficulties in attracting people to top positions in the nationalised industries — let alone keeping them — the silence surrounding Scholey's reappointment is particularly deafening.

Yesterday, as if you hadn't noticed, the press ran at the Motor fair. One hack who turned up at Earls Court was unusual in that he did not drink and that he actually wanted to buy a car. Managing to raise his voice above the champagne-induced hubbub, he asked after a Fiat Mirafiori. This threw the Motor fair out of gear. A hasty search turned up only one key and that was good only for opening the back seat door of the desired car. As they say in the newspaper trade, the hack made an excuse and left.

Ross Davies

Link House Publications PLC

Increased profits despite launch costs of new publications

Mr. G. C. Burt, Chairman, reports further progress in the year to June 30 1981

* Pre-tax profits £4,540,000 up £338,000 on 1980, after launch costs of £458,000 on new titles.

* Strong balance sheet and healthy cash flow.

* Total dividend increased 19% to 10p per share.

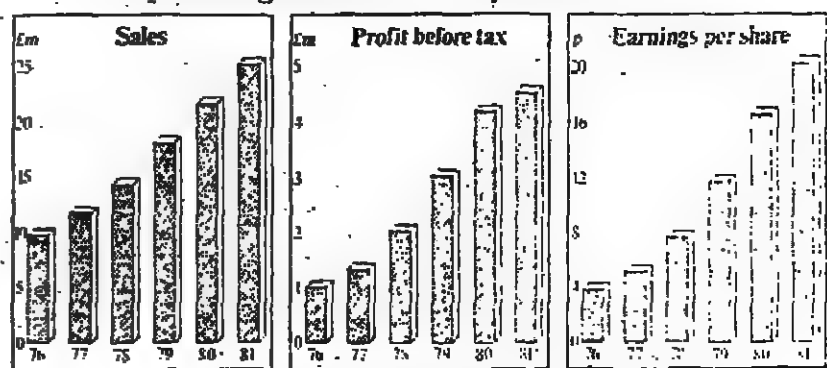
* Directors hopeful of continued growth in current year.

Exchange and Mart Publishing had another successful year.

Link House Magazines invested heavily in new publishing projects including Breaker and Rio magazines.

Blandford Books was affected by world-wide economic recession; substantial improvement expected in current year.

Link House Communications continued its expansion in electronic publishing and information systems.



For a copy of the Annual Report please write to The Secretary, Link House Publications PLC, Robert Rogers House, New Orchard, Poole, Dorset, BH15 1LU.

Oils lead sustained rally

Traded options: Increased activity in the main market saw total contracts rise to 2,325, 332 of which were puts. BP led the field with 576 calls and 135 puts while Marks & Spencer accounted for 361 calls.

Traditional options saw calls in NFEC on 4p, ML Meyer on 5 1/2p, Tozer Kemsley on 6 1/2p while doubles were made in Suter Electrical on 10p and NFEC on 7p.

New York, Oct. 20.—Stocks ended higher, and analysts attributed the gains primarily to technical considerations.

The Dow Jones industrial average rose by more than nine points during the day but started to ease in late trading to close up 4.75 at 351.88.

Traded, y Unquoted.

1950 Oct	125.3	107.0	105.1
Nov	127.2	111.4	105.8
Dec	127.0	112.4	105.0
1951 Jan	123.7	101.0	106.4
Feb	119.5	109.2	105.2
March	n/a	101.3	n/a
April	n/a	101.4	n/a
May-Aug	n/a	n/a	n/a
Sept	115.5	106.2	105.5

Scotland	303.2	+3.1	13.4
Great Britain	1,888.6	+54.3	11.1
N. Ireland	71.8	+1.99	17.8
Utd. Kingdom	2,728.9	+56.2	11.3

Company Int or Fm	Sales £m	Profits £m	Earnings per share	Div pence	Pay date	Year's total.
Ducastle Steel (F)	50.3(72.8)	2.17(3.5)	1.19*(17.24)	4.57(0.)	—	4.57(0.)
Estate Duties (I)	(—)	1.6(1.5)	—	0.8(0.8)	1/12	—
Walter Lawrence (I)	30.6(31.6)	0.66(0.6)	12.1(11.1)	1.52(1.5)	5/—	—
F J C Lifford (I)	55.1(47.3)	3.5(2.7)	8.69(8.35)	2.98(1.8)	30/11	—
T P Parry (I)	1.85(0.1)	0.0004*	—	—	—	—
Paterson Zocherts (F)	266.8(222.7)	29.5(21.7)	30.60*(20.19)	3*(2.3)	—	4.33*(3.5)
Peaschey Property (F)	(—)	4.7(3.8)	9.1(8.9)	3.0(0.2)	—	4.5(3.24)
Reardon Smith (I)	34.0(12.3)	0.64(0.62)	(—)	n/ll(—)	—	14.7(5)
Sage Holidays (F)	10.0(25.9)	3.1(2.4)	51.6(39.4)	8.0(6.25)	15/12	11.2(9.0)

Dividends in this table are shown net of tax on payments per share. Elsewhere in Business News dividends are shown gross of tax. * = estimated. Figures in parentheses are the net dividend by 1.425. Figures in square brackets are net and earnings are net. — = loss. * = adjusted for scrip.

This table is published on Wednesday and Saturday

[illegible]

Liverpool may find a spacious stage suits ruthless desire

Rovers turn the corner too late for Cooper

Bayern set to

follow their national trend

Injuries have caused some of Villa's problems, but the psychological relaxation that followed winning the championship has also affected them. Ron Saunders, their manager, hopes that success in Europe will stimulate better league performances and release the team from their "patchy" form.

In the third set, Miss Hobbs led 5-1, had three match points when serving at 5-3, but was too tense and excited to finish the job until the erratic but dogged Miss Ruzici did it for her with a double-fault. Even so, this was a good performance—and gave Miss Barker a threatening psychological

THIRD QUALIFYING ROUND: C
Lundquist, Sweden, best, 1:47.7
Perap, 1:50.6
Post, 1:49.0
Rodarys, Czechoslovakia, best, 1:48.5
Tanvier, France, best, 1:49.2
Pasquale, Switzerland, best, 1:49.5
Romeola, 1:50.7
FIRST ROUND: A
C. Kuhse, West Germany, best, 1:49.5
J. Forman, USA, best, 1:50.0
D. Bieri, Switzerland, best, 1:50.0
V. Vassilov, Bulgaria, best, 1:50.0
S. Bucci, Switzerland, best, 1:50.0

not by the Indian government (the decision has nothing to do with the Indian Cricket Board) without Mrs. Ghandi's authority, and she is not at the moment in India. The fact that she is said to have been personally in favour of the tour going ahead, may be seen as a check of hope. She is also a close associate of Mr. S. K. Warhade, president

Rovers turn the corner too late for Cooper

Monday's results

Third division

Brantford	(0) 0	Southend	(0) 1
5,400		Yates	

Fourth division

Bayern set to follow their national trend

Today's fixtures

EUROPEAN CUP, second round.
First leg: AZ Alkmaar v Liverpool
(7.16); CSKA Sofia v Genteran
Dynamo Belin
Torrevia v Red Star Belgrade; Ander-
lecht v Juventus; Copenhagen v Uni-

football club run in an autocratic way and for that point of principle I resigned."

E German coach quits
East Berlin, Oct. 20.—The East German football coach, Georg

led 5-1, had three matchpoints when serving at 5-3, but was too tense and excited to finish the job until the erratic but dogged

For the record:
Cricket
BLANTYRE: (30 overs): MCC, 210
(J H Hampshire 80 no. 34 A DUL57);
Cricket Club of Malawi, 152 for 9;
MCC won by 57 runs. 160 overs;
MCC 259 (P H Wilson 2 for 10);
MCC 160 for 6. MCC won by 3 wickets.

Lindquist Sweden: 6-1
 Perap, 1-6, 6-3, 6-2, 6-1
 Post 1 Hartford USA: 6-2, 6-1
 Redaraya Czechoslovakia: 6-2
 Tanvier France: 6-2
 Phegualt Switzerland: 6-2
 (Name) (Country) (Score)

Golf

ment, may be seen as a token of hope. She is also a close associate of Mr S. K. Wankhede, president of the Indian Board.

Cycling
DORTMUND: Six-day race (after four days): J. M. Fraai and H. Oersted (Denmark), 210mi.; W. W. Poffgen and H. Schurz (W. Germany), 232, at one lap; J. P. Serru (Belgium), and R. Horstman, G. Liechtenstein, 220, at one lap; A. G. Thruard and G. Braup (W.

CENTRAL LEAGUE : Derby 2.
Sheffield United 0.
RUGBY UNION : Bath 6. Bristol 19.

▼ FIRST DIVISION: Manchester United
Middlesbrough 17.301.
THIRD DIVISION: Chester v Chester.

CROSS-COUNTY: London Services
Langley (Uxbridge);

PARK HOUSE 1, Dursley 0.
 SCHOOLS MATCHES: Aldenham 6.
 Clement Dane's 0; Wellingborough 1.
 Alcorn's, Durbach 1.

ment: Norway 3; Finland 1; West
 Germany 1; Taiwan 1; New Zealand 2
 Netherlands 0; Switzerland 4; Thailand
 0.

HONGKONG: Junior World Cup qualifying tournament: India 12, Thailand 0; Japan 2, China 0.

Final seed: 1. H. Sullivan, 2. T. Fabi
Baker, 3. G. Brannan, 4. Accardi.
Final standings: 1. Brannan 157 pts
2. Fabi, 156, 3. A. Holbert 120.

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Futurity may help to clear classic picture

seven-tuding race. Sharp told at home in the heavy ground, he saw him beat Maxwell and win style in the William Hill Sports Championship. The 1966 champion Stoute says that Dalsaun finished a clear second to Moore style in the Challenge Stakes. "The ground was very heavy," he said. "The ground dried up considerably."

In London yesterday, Stoute fined £50 for failing to display a copy of the distribution of the stable's share of the prize money won by the winner of Part III of the instruction referring to such payments. "The instruction is very clear. It is a bit of a story," he said. "I said Stoute, 'and we have had some bad publicity over it.'"

The trainer went on to say that he knew of several other trainers who did not do this, but he did in order to avoid arguments. "But on reflection he considered that it was wrong not to have done so."

Stoute's harmonious relationship with his staff has been a key part in the trainer's success to fame. And this is a major blot on the magnificent record of the man who is now set to head the trainer's table for the first time.

□ Geoff Lewis, the Epsom trainee and Bill Newnes, an apprentice, have been cleared by the Jockey Club of any involvement in the rules of racing over the summer Spanish Wind at Newbury, and Goodwood this summer, the latter a second time.

The inquiry by the Football Club's disciplinary committee centred on the Shrivensham Handicap at Newbury on August 25 when Spanish Hind, ridden by Newnes, started 7-2 favourite but was slowly away from the stalls and finished out of the first nine.

ron, won a \$2,600 Handicap by three-quarters of a length. The Goodwood stewards referred the matter to the Jockey Club's disciplinary committee, which watched video recordings of the races involved at Newbury and Goodwood and also interviewed stewards at both meetings. The disciplinary committee decided not to take any action.

At Ascot, where the Divisional trainer, Roy Fisher, against the disqualification of his horse Master Terzel at Sandor recently was disqualified by Jockey Club stewards, Master Terzel was first past the post in a Saint Whippo Novices Chase, but was later disqualified and placed third after a successful objection by Robert Kingston, rider of the third, Little Trouble.

Boutin succeeds with Coussika

Paris, Oct. 20.—François Boutin trained the winner of today's Prix de la Forêt de St. Germain, but not as expected with Stratos.

The first past the post was the 20-1 Coussille.

[illegible]

3.16 13.17: WHITEMOSS NURSERY
HANDICAP (2-y-o: \$1,373; 1m
40yd)

[illegible]

Sedgefield NH
 E.O.: 1. Co
 Edward's Corner
 (10-1). Sylvia's
 Lissave (10-1): 2
 (16-1): 2. Mearns
 Secret 2-1 [av. 14

2.30: 1 Systems Analysis 11-4-41
2. Maldives 6-9-11; 3. Palm Coast.
4-11; 5. Copper Watch 3-8 (av. 17 cm).
6. 1000 ft. 10-11; 7. 1000 ft. 10-11;
8. 1000 ft. 10-11; 9. Kikori 10-11; 13.
10. 1000 ft. 10-11.

3.50: 1. Midland Levee 15-2-1; 2. Phone 9-11; 3. Sweet Middle 10-11; 4. 1000 ft. 10-11; 5. 1000 ft. 10-11; 6. 1000 ft. 10-11; 7. 1000 ft. 10-11; 8. 1000 ft. 10-11; 9. 1000 ft. 10-11; 10. 1000 ft. 10-11; 11. 1000 ft. 10-11; 12. 1000 ft. 10-11; 13. 1000 ft. 10-11; 14. 1000 ft. 10-11; 15. 1000 ft. 10-11; 16. 1000 ft. 10-11; 17. 1000 ft. 10-11; 18. 1000 ft. 10-11; 19. 1000 ft. 10-11; 20. 1000 ft. 10-11; 21. 1000 ft. 10-11; 22. 1000 ft. 10-11; 23. 1000 ft. 10-11; 24. 1000 ft. 10-11; 25. 1000 ft. 10-11; 26. 1000 ft. 10-11; 27. 1000 ft. 10-11; 28. 1000 ft. 10-11; 29. 1000 ft. 10-11; 30. 1000 ft. 10-11; 31. 1000 ft. 10-11; 32. 1000 ft. 10-11; 33. 1000 ft. 10-11; 34. 1000 ft. 10-11; 35. 1000 ft. 10-11; 36. 1000 ft. 10-11; 37. 1000 ft. 10-11; 38. 1000 ft. 10-11; 39. 1000 ft. 10-11; 40. 1000 ft. 10-11; 41. 1000 ft. 10-11; 42. 1000 ft. 10-11; 43. 1000 ft. 10-11; 44. 1000 ft. 10-11; 45. 1000 ft. 10-11; 46. 1000 ft. 10-11; 47. 1000 ft. 10-11; 48. 1000 ft. 10-11; 49. 1000 ft. 10-11; 50. 1000 ft. 10-11; 51. 1000 ft. 10-11; 52. 1000 ft. 10-11; 53. 1000 ft. 10-11; 54. 1000 ft. 10-11; 55. 1000 ft. 10-11; 56. 1000 ft. 10-11; 57. 1000 ft. 10-11; 58. 1000 ft. 10-11; 59. 1000 ft. 10-11; 60. 1000 ft. 10-11; 61. 1000 ft. 10-11; 62. 1000 ft. 10-11; 63. 1000 ft. 10-11; 64. 1000 ft. 10-11; 65. 1000 ft. 10-11; 66. 1000 ft. 10-11; 67. 1000 ft. 10-11; 68. 1000 ft. 10-11; 69. 1000 ft. 10-11; 70. 1000 ft. 10-11; 71. 1000 ft. 10-11; 72. 1000 ft. 10-11; 73. 1000 ft. 10-11; 74. 1000 ft. 10-11; 75. 1000 ft. 10-11; 76. 1000 ft. 10-11; 77. 1000 ft. 10-11; 78. 1000 ft. 10-11; 79. 1000 ft. 10-11; 80. 1000 ft. 10-11; 81. 1000 ft. 10-11; 82. 1000 ft. 10-11; 83. 1000 ft. 10-11; 84. 1000 ft. 10-11; 85. 1000 ft. 10-11; 86. 1000 ft. 10-11; 87. 1000 ft. 10-11; 88. 1000 ft. 10-11; 89. 1000 ft. 10-11; 90. 1000 ft. 10-11; 91. 1000 ft. 10-11; 92. 1000 ft. 10-11; 93. 1000 ft. 10-11; 94. 1000 ft. 10-11; 95. 1000 ft. 10-11; 96. 1000 ft. 10-11; 97. 1000 ft. 10-11; 98. 1000 ft. 10-11; 99. 1000 ft. 10-11; 100. 1000 ft. 10-11; 101. 1000 ft. 10-11; 102. 1000 ft. 10-11; 103. 1000 ft. 10-11; 104. 1000 ft. 10-11; 105. 1000 ft. 10-11; 106. 1000 ft. 10-11; 107. 1000 ft. 10-11; 108. 1000 ft. 10-11; 109. 1000 ft. 10-11; 110. 1000 ft. 10-11; 111. 1000 ft. 10-11; 112. 1000 ft. 10-11; 113. 1000 ft. 10-11; 114. 1000 ft. 10-11; 115. 1000 ft. 10-11; 116. 1000 ft. 10-11; 117. 1000 ft. 10-11; 118. 1000 ft. 10-11; 119. 1000 ft. 10-11; 120. 1000 ft. 10-11; 121. 1000 ft. 10-11; 122. 1000 ft. 10-11; 123. 1000 ft. 10-11; 124. 1000 ft. 10-11; 125. 1000 ft. 10-11; 126. 1000 ft. 10-11; 127. 1000 ft. 10-11; 128. 1000 ft. 10-11; 129. 1000 ft. 10-11; 130. 1000 ft. 10-11; 131. 1000 ft. 10-11; 132. 1000 ft. 10-11; 133. 1000 ft. 10-11; 134. 1000 ft. 10-11; 135. 1000 ft. 10-11; 136. 1000 ft. 10-11; 137. 1000 ft. 10-11; 138. 1000 ft. 10-11; 139. 1000 ft. 10-11; 140. 1000 ft. 10-11; 141. 1000 ft. 10-11; 142. 1000 ft. 10-11; 143. 1000 ft. 10-11; 144. 1000 ft. 10-11; 145. 1000 ft. 10-11; 146. 1000 ft. 10-11; 147. 1000 ft. 10-11; 148. 1000 ft. 10-11; 149. 1000 ft. 10-11; 150. 1000 ft. 10-11; 151. 1000 ft. 10-11; 152. 1000 ft. 10-11; 153. 1000 ft. 10-11; 154. 1000 ft. 10-11; 155. 1000 ft. 10-11; 156. 1000 ft. 10-11; 157. 1000 ft. 10-11; 158. 1000 ft. 10-11; 159. 1000 ft. 10-11; 160. 1000 ft. 10-11; 161. 1000 ft. 10-11; 162. 1000 ft. 10-11; 163. 1000 ft. 10-11; 164. 1000 ft. 10-11; 165. 1000 ft. 10-11; 166. 1000 ft. 10-11; 167. 1000 ft. 10-11; 168. 1000 ft. 10-11; 169. 1000 ft. 10-11; 170. 1000 ft. 10-11; 171. 1000 ft. 10-11; 172. 1000 ft. 10-11; 173. 1000 ft. 10-11; 174. 1000 ft. 10-11; 175. 1000 ft. 10-11; 176. 1000 ft. 10-11; 177. 1000 ft. 10-11; 178. 1000 ft. 10-11; 179. 1000 ft. 10-11; 180. 1000 ft. 10-11; 181. 1000 ft. 10-11; 182. 1000 ft. 10-11; 183. 1000 ft. 10-11; 184. 1000 ft. 10-11; 185. 1000 ft. 10-11; 186. 1000 ft. 10-11; 187. 1000 ft. 10-11; 188. 1000 ft. 10-11; 189. 1000 ft. 10-11; 190. 1000 ft. 10-11; 191. 1000 ft. 10-11; 192. 1000 ft. 10-11; 193. 1000 ft. 10-11; 194. 1000 ft. 10-11; 195. 1000 ft. 10-11; 196. 1000 ft. 10-11; 197. 1000 ft. 10-11; 198. 1000 ft. 10-11; 199. 1000 ft. 10-11; 200. 1000 ft. 10-11; 201. 1000 ft. 10-11; 202. 1000 ft. 10-11; 203. 1000 ft. 10-11; 204. 1000 ft. 10-11; 205. 1000 ft. 10-11; 206. 1000 ft. 10-11; 207. 1000 ft. 10-11; 208. 1000 ft. 10-11; 209. 1000 ft. 10-11; 210. 1000 ft. 10-11; 211. 1000 ft. 10-11; 212. 1000 ft. 10-11; 213. 1000 ft. 10-11; 214. 10

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